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6 PUBLIC HEARING

7 BUREAU OF LAND MANAGEMENT
8 DEPARTMENT OF THE INTERIOR

9 DRAFT ENVIRONMENTAL IMPACT STATEMENT
10 PROPOSED OIL AND GAS LEASE SALE

11 KODIAK, SALE NUMBER 46
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20 March 6, 1980
21 Borough Assembly Room
22 Kodiak, Alaska
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BUREAU OF LAND MANAGEMENT
DEPARTMENT OF THE INTERIOR
PUBLIC HEARING DEIS
WESTERN GULF OF ALASKA
KODIAK, SALE NUMBER 46

BEFORE PANEL MEMBERS:

ESTHER WUNNICKE, CHAIRPERSON	Alaska OCS Office Manager Anchorage, Alaska
JAMES CURLIN	Department of the Interior Deputy Assistant Secretary Washington, D. C.
RAY KARAM	Office of OCS Coordination Rep. Assist. Secretary for Policy Budget and Administration Washington, D. C.
CHARLES EDDY	Deputy Assistant Secretary for Energy & Minerals Department of Interior Washington, D. C.
JOE JONES	Department of Interior, U.S. Geological Survey, Conservation Division, Anchorage, Alaska
GERRY GILLILAND	Rep. of Secretary of Interior Anchorage, Alaska
GERRY REID	Fish and Wildlife Service Anchorage, Alaska

Borough Assembly Room
Kodiak, Alaska

The above-entitled hearing opened, pursuant to notice, at approximately 10:00 A.M. on Thursday, March 6, 1980 at the location set forth above.

C E R T I F I C A T I O N

THIS IS TO CERTIFY:

That the attached proceedings before Esther Wunnicke,
James Curlin, Ray Karam, Charles Eddy, Joe Jones, Gerald Reid
and Jerry Gilliland in the matter of:

Public Hearing for Sale Number 46, March 6, 1980,
Borough Assembly Hall, Kodiak Island, Alaska were held as herein
appears, and that this is the original transcript thereof for
the file of the Department of the Interior, Alaska OCS Office.

AD-GILE COURT REPORTERS



Ellynda Giles, Field Reporter

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CHAIRPERSON ESTHER WUNNICKE

like to welcome you to this hearing being conducted by the Department of the Interior. I'm Esther Wunnicke, Manager of the OCS Office in Anchorage, and I've been designated to chair the hearing. I'd like to introduce the other members of the panel. On my far right, your left, is Mr. James Curlin who's Deputy Assistant Secretary for Land and Water in the Department of the Interior. Next to him, Mr. Ray Karam from the Office of OCS Coordination and also representing the Assistant Secretary for Policy Budget and Administration. Now we're on...okay (Public Address system began functioning) Next to Mr. Karam is Mr. Charles Eddy who is Deputy Assistant Secretary for Energy and Minerals from the Department of the Interior and all three of these gentlemen are from Washington D. C. On my immediate left is Mr. Joe Jones who is the Regional Manager of the Conservation Division of the U.S. Geological Survey in Alaska. Next to him, Mr. Jerry Gilliland from Anchorage who is the Secretary of the Interior's Representative in Alaska. And, on my far left, Mr. Gerald Reid from the U.S. Fish and Wildlife Service and also representing the Assistant Secretary for Fish, Wildlife and Parks in the Department of the Interior. We're very pleased to be here. And for the record, I'd like to state the purpose of the hearing. It's being conducted for the purpose of receiving views and comments and suggestions relating to a proposed oil and gas lease sale in the Western Gulf of Alaska which is designated

1 Kodiak Sale No. 46 pursuant to the Outer Continental Shelf Lands
2 Act as amended. It...the testimony is to relate directly to the
3 Draft Environmental Impact Statement concerning this proposed sale
4 which has been prepared by the Bureau of Land Management in
5 accordance with the National Environmental Policy Act. This hearing
6 provides an opportunity to receive public comments in order to
7 fully evaluate the potential effects of this proposed sale on
8 human, marine and coastal environments and the domestic supply of
9 mineral resources. The official reporter for the hearing is
10 Ellynda Giles from the Ad-Gile Court Reporting Service and she's
11 seated at the table on your right. And copies of your testimony,
12 if you have them, or copies of exhibits should be given to her.
13 Also, if you wish copies of the transcript of the hearings, you
14 should make arrangements with Ms. Giles. I'd also ask you, since
15 there are maps on the wall that you may wish to refer to, that if
16 you're indicating geographic areas; that for her benefit you also
17 state orally the area that you're indicating. This is not an
18 adversary proceeding, so the witnesses presenting their views are
19 not going to be placed under oath; but the testimony should be
20 relevant to the issues. The speakers may be questioned by members
21 of the panel but only for the purpose of clarifying facts or ob-
22 taining additional information from the witnesses. Any questions
23 that the panel members may ask you should not be construed as any
24 predetermined position on their part. The purpose of the hearing
25 is to receive information not to exchange views or engage in a

1 debate of any kind. The speakers will be called in the order that
2 they have registered and we have been asked to...to put some speakers
3 together in panels by their request and we're perfectly agreeable
4 to doing that. If the speaker is not present when his name is
5 called, that name will be placed at the end of the list and the
6 witness will be given an opportunity to speak at that time. Also,
7 at the end of the registered list of witnesses, if there are other
8 people present who have testimony they'd like to give, they also
9 will be given an opportunity to do so. I'd like to ask each
10 speaker to begin their remarks with stating their name and address
11 and the organization, if there is an organization, that they
12 represent. Your remarks will be recorded verbatim. If you want
13 to submit additional written testimony, as I said, provide the
14 material to the recorder or any exhibits provide to her. If you
15 want to submit additional written testimony after this hearing, or
16 if you would prefer to submit written comments rather than make
17 oral testimony, you may do so by the close of business, March 14th
18 by addressing it to the Bureau of Land Management, Department of
19 the Interior, Post Office Box 1159, Anchorage or by delivering it
20 to the Alaska OCS Office, Bureau of Land Management at 620 East
21 Tenth Avenue in Anchorage by the close of business March 14th. All
22 of the written comments and all of the testimony given at this
23 hearing will be included as a part of the hearing record and will
24 be granted the same consideration as the oral statements given here.
25 We are going to call a coffee break in the middle of the morning,

1 and probably one this afternoon. We'll try to stay on schedule
2 and we certainly welcome all of you. The first witness scheduled
3 to testify is Mr. David Thompson. Thank you for your patience Mr.
4 Thompson.

5 MR. THOMPSON: Thank you. My name is David Thompson. Box
6 484, Kodiak, Alaska. I'm testifying today as a private citizen of
7 this community, and a very concerned one at that. My concern, of
8 course, stems from an investigation into the DEIS document, all
9 one hundred and eighty seven pages plus additional series of maps,
10 charts, analysis, appendixes and scenarios which push its grand
11 total of sheets to close to three hundred in number. Reviewing it
12 as I did was an exercise of no small proportions and much frus-
13 tration. I'm reminded of a story of a young boy who experienced a
14 serio...similar difficulty in reading as I did in reading this
15 document. Upon going to his favorite swimming hole, the young boy
16 found a new sign. It said, "private pond, no swimming allowed."
17 And the boy read the sign, walked past it, and jumped in and went
18 swimming. Several minutes later the owner came by and seeing the
19 youth in the pond inquired, "Didn't you see that sign?" "Sure", he
20 said. "It say's "private pond? No. Swimming allowed." And I
21 think that we have a similar situation here and a difficulty in
22 reading and where you put your emphasis and what you perceive from
23 what you read. And I'm here today to express to you my frustrations
24 in the reading of the DEIS and my concerns which cause those
25 frustrations. Even before I got to page one, there was evidence to

1 me that this document is questionable in fulfilling what is my
2 understanding of its legitimate role in the lease sale process; and
3 that is as a tool in the decision-making process which contains...
4 excuse me...whether or not to hold the sale at all. There on the
5 very first page, which contains printing, was this sentence. "The
6 564 blocks which WILL BE LEASED (Speaker's emphasis) are directly
7 east and southeast of Kodiak Island." I remember well in school
8 when I first came across the phrase "a Freudian slip" and how taken
9 I was immediately with the theory that people betray deep, sincere
10 and unconscious aspects of the mind with the slip of a tongue, and
11 how absolutely accurate Mr. Freud's theory was in my mind. In that
12 sentence discussing the available lease tracts, I cannot help but
13 feel that the phrase "which will be leased" is a clear indication
14 of one overriding flaw in this DEIS, and that is the assumption
15 that this sale will in fact occur regardless of what we in this
16 community tell you. And I have a problem with that. For I do not
17 see the Bureau of Land Management or a DEIS should fill the role of
18 advocate of a lease sale. I may be naive, but I prefer to view
19 your role as nothing more than that of an administrator of the
20 process, and a very objective one to be sure. And frankly, I do
21 not think that you are doing that in this case, if this document is
22 found to be acceptable as it currently exists. Further, it is my
23 very clear understanding that the Federal Government is charged with
24 the responsibility of ensuring that human, marine and coastal
25 environments are protected. In the case of OCS lease sale No. 46,

1 it is my considered opinion that to adopt this DEIS without serious
2 modification would be to fail to fulfill that responsibility in a
3 most obvious manner and one that should not be taken lightly by
4 anyone where the ramifications of that act would be many. I wish
5 to be more specific with some of my concerns so that the panel may
6 be aware of why I feel as I do. Allow me to discuss some issues,
7 and not having had the ability to be in Anchorage on Tuesday, I
8 beg your indulgence if my remarks serve only to mirror testimony
9 given on that occasion. On page two, this statement appears,
10 "Action to expand U.S. energy production, such as implementation of
11 this proposed lease sale, is necessary now if we are to ensure that
12 sufficient energy sources will be available in the future." I will
13 simply say that I feel that statement does a disservice to anyone
14 by attempting to tie one's pride in and patriotism for America into
15 consideration for this lease sale. The facts of the matter are that
16 the oil or gas which might be recovered from these waters is, by
17 the admission of BLM and other government officials alike, not even
18 destined for America, but rather for Japan; and that being the case,
19 I take to task any attempt by this statement, the DEIS, to make us
20 feel guilty for adopting a no sale posture at this time based on
21 this existing DEIS. On page five, quote "Rights-of-way may be
22 approved, assuring maximum environmental protection by utilization
23 of the BEST AVAILABLE (Speaker's emphasis) and safest technologies.
24 And my question to you is, and what if there is not the best
25 available? Indeed, what if the best available is not sufficient

1 for this seismically active area? Does that mean that we will
2 suffer with whatever is around, is economically feasible as defined
3 by the oil companies, and will have to do as a result? I went to
4 a meeting with oil and gas representatives last week sponsored by
5 the Chamber of Commerce, and I asked point blank of that gentleman
6 what safety features are built into the rigs used in seismically
7 active areas. The answer was a very distressing, "none." I ask
8 you to remember the destruction that was visited on this island in
9 the aftermath of the Good Friday earthquake in 1964 when virtually
10 the entire downtown area was wiped out, and you tell me that there
11 are no safety features in those oil wells you want to put in our
12 harbor where we do have an uncomfortable level of seismic risk?
13 Are you asking me to believe that none are required, as did that
14 gentleman of oil and gas persuasion on that day? That designs
15 built into the equipment make them capable of withstanding an
16 earthquake's force? If so, I say to you surely you jest. There
17 is no best equipment because it can't be invented that would hold
18 up under the force of nature. And remember, it's not nice to try
19 and fool mother nature. No, I am sorely troubled by the use of
20 terms such as "best available equipment." It's hedging where there
21 should be no hedging. These are mere words and they are, quite
22 frankly, laughable when I consider the effects, the impacts in
23 DEIS semantics, that would result when our next earthquake occurs.
24 And make no mistake about it, that is not to say IF another quake
25 occurs, that is to say WHEN. On page seven, it says that the

1 Secretary shall disapprove of a development and production plan if
2 exceptional geologic conditions are present. How exceptional do
3 we have to get? Is not our history of proven susceptibility to
4 natural disasters, is that not enough? I think that it should be.
5 This document is full of bad jokes. Like page seven where it say's
6 that quote "Offshore Oil Spill Pollution Fund is established and
7 it pays compensation for injuries caused by oil discharges." Un-
8 quote. Who pays the eagles? Who pays the shrimp and the crab, and
9 the fish, and the birds? Who indeed. The Offshore Oil Spill
10 Pollution Fund? Last season Polish vessels came charging through
11 these waters and did damage to some of our local fishermen's gear,
12 but fear not says this DEIS, the Fisherman's Contingency Fund
13 provides compensation for damage to fishermen's gear. I challenge
14 this panel to ask any local fisherman who's damage was so damaged...
15 who's gear was so damaged last fall if they have in fact been so
16 compensated. The answer is a resounding NO. And I ask you, how
17 long must these men who risk their lives everyday in these waters
18 wait to get this promised panacea for their damaged gear? That
19 too is a bad joke. And just for the record, I am not a fisherman.
20 Frankly, I couldn't afford to be one in an era of OCS exploration.
21 On page eight we have a wonderful phrase that is so characteristic
22 of this document as it begs to be defined. And that phrase is
23 quote, "A reasonable balance." Unquote. The Secretary, it say's,
24 will ensure that a reasonable balance between the well being of
25 the citizens and the national interest will be provided. Just what,

1 I want to know, is the definition of reasonable balance. And why
2 isn't this and many other such ambiguous terms defined in this
3 DEIS, or have they been left to our imagination on purpose? Given
4 his tract record when it comes to Alaska and our lands, I doubt
5 that you would find too many people in this state who would prefer
6 to leave anything to the judgement of the Secretary of the Interior.
7 On page 15, the DEIS states that the Clean Water Act of 1977
8 provides that lessees or operators MAY be held financially liable
9 for damages due to oilspills. May? Is that to say that they may
10 not? That there will be even the slightest loophole for some
11 slick lawyer to wiggle out from under while the Kodiak Island
12 Borough is left holding the clean-up bag? I would like to read
13 excerpts from a recent newspaper article out of Juneau. "The U.S.
14 Coast Guard reports today that cleanup work from a marine accident
15 near Ketchikan in Southeast Alaska is nearly complete...an esti-
16 mated 100,000 gallons of fuel was spilled in the accident which
17 also killed all 30 crewmen aboard." They estimated the cost of
18 the cleanup at 1.7 million and said that the Federal Government
19 will ATTEMPT to recover its costs from the owners of the ship. The
20 Clean Water Act provides that lessees and operators MAY be held
21 accountable for oil spills? And this information is in light of
22 the statistical PROBABILITY, that's the word that's used in the
23 DEIS, the statistical probability that at least one major, although
24 we don't have the foggiest notion what a major anything is, at
25 least one major oil spill will happen during the term of this

1 exploration. Yes, we will have an oil spill, friends, because to
2 err is human; and because we may not get the best available equip-
3 ment and nor, I submit, is the best good enough anyway in the face
4 of a Tsunami. And I have this reoccurring nightmare much like I
5 witnessed in Santa Barbara Channel in the aftermath of their spill
6 in 1969, when some of the most beautiful beaches in California were
7 still a black mess unfit for anything years later. And the vision
8 of that, all that once fine shoreline so utterly ruined, stands out
9 indelibly in my mind. And this risk, this statistical probability,
10 for an eight percent chance that commercial resources will be
11 found. And that eight percent figure is derived from U.S.G.S.
12 information provided to those people by oil companies, and that
13 information is termed proprietary for ten years or for sixty days
14 after the lease sale has occurred. In other words, I can't even
15 see it. And on an eight percent chance of recovery, you ask us
16 to accept those risks? Is that why the industry refers to a
17 certain "Monte Carlo" technique? Is it because they are throwing
18 the dice and we are the stakes? Frankly I think the industry has
19 a lot of gall to ask us to accept those odds for twenty five years.
20 Project Independence, another brainchild of the new deservedly
21 discredited Richard Millhouse Nixon, his answer to providing more
22 fuel for California, of course, that being his home state. And
23 so it was determined that environmentalist objections to proposed
24 oil explorations would never more stand in the way of the "National
25 Security." No doubt, we who oppose this sale at the moment would

1 have made his enemies list and I wish, frankly, I had had the
2 opportunity to be among that number. Instead, my friends were among
3 different numbers in far away lands for that same national security.
4 Am I an environmentalist? Well, if membership in Friends of the
5 Earth and Sierra Club and Save the Whales etcetera is the criteria,
6 then no, I am not. For I do not belong to any of those organizations.
7 But if concern, sincere, legitimate concern for the future of this
8 island and its environment is the determining factor, then you
9 betcha. I am indeed an environmentalist, and very happy to be
10 among that number. Let's talk for a minute about how I do depend
11 on this island in far more personally meaningful ways than commer-
12 cial fishing. I depend on the beauty of this island. It's en-
13 chantment in that respect is one for the artist's canvas, and the
14 poet's scroll. And indeed it was just this natural scene which
15 contributed greatly to my coming here in the first place. And I
16 depend on that to a degree that is difficult to express in mere
17 words. For me, the good feelings I derive from the view from the
18 top of Pillar Mountain of our harbor, and the unspoiled sanctity of
19 nature that I see; those feelings are unsurpassed by any other
20 feelings I know. I depend too on the aspect of remoteness that so
21 characterizes Kodiak. The quaintness of a slower pace, the small
22 community and the accompanying atmosphere that is a distinguishing
23 feature of life on our island. Many of us are weary of urban
24 problems and I suspect that for some of us this proposal is nothing
25 more than another attempt by big brother to intrude in our lives.

1 In so much as this document is woefully inadequate, too, in defining
2 a rational national energy policy and what place this sale would
3 play in such a plan; or in addressing the possible adverse unknown
4 effects of development which at best can be summed up at this point
5 in time by saying, as did Oceans Magazine, July 1979 issue, that
6 quote "The effects of crude oil on marine organisms is still un-
7 clear." It went on to say that, "It takes up to fifteen years for
8 oil-fouled marine environment to return to stable state." Unquote.
9 In light of those facts, it is certainly an interesting observation
10 that I conclude this DEIS to be inadequate too for what I will refer
11 to as the burden of proof. The burden of proof. In legal matters
12 we are deemed innocent until proven guilty. As I read this
13 document, the DEIS, we are hung before a trial. What I am saying
14 is that assumption, allured and objected to early in this address,
15 that this sale will happen no matter what we do, and that disturbs
16 me greatly. It distrubs me also because it would seem to me that
17 the burden of proof, that is, the case that must be proven, should
18 rest with those who wish to impact our environment, not with those
19 of us who want to protect it. It seems to me that we should be
20 sitting there in judgement of you, not the reverse. I am very
21 uncomfortable with the fact that this, or any community, must come
22 forth in a public hearing and defend its environment as if we must
23 convince you. No, I can't get relaxed about this whistling dixie
24 while the thief is in the toolshed. And really now, isn't this
25 whole process just another federal smoke screen? If not, why then

1 must we assume this unfair position of defending our island against
2 a document that is so very superficial in spite of its length, or
3 maybe indeed it's because of its length. But really, the art of
4 talking much and saying little, that DEIS is a classic example.
5 And maybe what has come out of me in these fast minutes has been
6 just that in your minds. Talking much and saying little. And
7 maybe all our testimony is going to be placed under the heading
8 of pursuits of no real consequence. And you know, that is where
9 the real burden of proof falls on you people. To convince me,
10 indeed, show me, that our collective cry against this document and
11 this proposed sale is not in vain; that you and the agencies that
12 you represent and the Secretary do not just listen, but in fact
13 hear. For if you hear, and I for one know how difficult that is,
14 you cannot help but come to the same conclusion that virtually
15 everyone in this community has. That based on this document, at
16 this time, as unprepared as we are to face the impacts of oil and
17 gas exploration; that no sale is our ONLY alternative. Yes
18 indeed, add another specimen to the Endangered Species Act. For
19 if this goes through, surely he will be that; and that species is
20 the Kodiak Fisherman and the community he lives in and the
21 environment that he gets along with so very well right now.
22 Because I have reached that conclusion, my opinion is that the
23 no sale alternative is not only appropriate in this case, it is
24 imperative for the future of this community. Simply put, the
25 trade-offs don't add up in our favor. And national interest aside,

1 it is our community, even if you do feel it's your oil and gas.
2 And until the Federal Government can develop a rational national
3 policy on energy that does not perpetuate the dependence on fossil
4 fuels, why should we be asked to risk all? I thank you for the
5 opportunity to express myself.

6 CHAIRPERSON: Thank you, Mr. Thompson. Do any members of the
7 panel have any questions of David?

8 MR. CURLIN: I'd like to say one thing, Esther, if I may. I
9 don't think I've ever heard a more articulate presentation of a
10 position in any public hearing that I've been present in the past
11 couple of years. And, this is exactly the reason why we came to
12 Kodiak. To get this kind of expression. Now, I think in summary,
13 we need a couple of clarifications. I think you read through very
14 clearly in your final analysis. You feel, as I take it, that the
15 decision process is one that is on a track with very little
16 probability of any kind of deviation from that that is proposed in
17 the draft statement at the present time. Is that right? You feel
18 that the decision process is one that...that essentially is...I
19 hate to say it in this crass a term, but a charade. Is this your
20 conclusion?

21 MR. THOMPSON: I feel that the process is hopelessly weighted
22 in favor of pro-development and against a community such as ours
23 which has serious objections to it.

24 MR. CURLIN: And you further feel, then, that there is really
25 nothing, with regard to this, to healing the deficiencies in this

1 EIS that would change your opinion that the no-action alternative
2 is the only responsible course?

3 MR. THOMPSON: I said at this point in time, based on that
4 document as I read it, I do not feel there is any alternative for
5 us to have other than no sale. The implications of industry that
6 money would result, that Kodiak city and Kodiak Island Borough
7 coffers would profit in terms of increased revenues and that we
8 would, in fact, as a result be able to deal with the impacts in
9 terms of social and economic impacts, I feel is a false argument.
10 Because if and when those revenues did come in it would be after
11 the fact. And we are, quite frankly, totally unprepared to deal
12 with something of this nature at this point in time. And I think
13 if the industry is genuinely concerned about the impacts on a
14 community such as ours they will help us be prepared for such an
15 eventuality before it happens, not try and deal with it after.

16 MR. CURLIN: I can understand with your...in your introduc-
17 tion, your statements from out of the...the forward of the EIS how
18 one might reach the conclusions that you did, that the driving
19 force here is the production of oil and gas and that the justifi-
20 cation is laid out preliminary to any discussion of the ultimate
21 impacts. I guess we could...we could probably agree, perhaps,
22 among ourselves up here that there would have been other strategies
23 that could have been used in the formulation of that...of the oil
24 and gas sector of that EIS; but I would like to assure you that
25 this wasn't any kind of a grand design or conspiratorial in the

1 statement. Words are interpreted in many ways and semantics, we're
2 often caught...caught in the...in the crease in the difference of
3 interpretation. I can only assure you that that was not the intent
4 to steamroll in any way and lay out the justification and then form
5 the rest of the EIS around it. I want to thank you very much for
6 a, like I say, a most articulate presentation of your position. I
7 think it's helpful.

8 MR. THOMPSON: Again, I thank you for the opportunity to
9 express myself.

10 CHAIRPERSON: Mr. Jones has a question.

11 MR. JONES: Mr. Thompson, I agree that you did a very fine
12 job in presenting your position. There were a couple of things that
13 I, representing the Geological Survey, felt that needed a little
14 bit of clarification. One was your statement that you didn't want
15 the industry to put rigs in your harbors. That's really not the
16 concept here of drilling on the OCS lands. The OCS lands start
17 three miles from the nearest shoreline, so we could...the industry
18 could not very well be putting rigs inside your harbors. So, I
19 think that concept is just a little bit erroneous in the way you
20 presented it. You didn't really believe that there would be rigs
21 inside the harbors did you?

22 MR. THOMPSON: Let's say that falls under the category of
23 poetic license.

24 MR. JONES: All right. Thank you. Uh...also, I failed to...
25 I could not make the connection between the damage suffered from

1 the Polish vessels who barged apparently willy-nilly through the
2 fishing areas. The damages that they caused and the damages that
3 you might...might or not get through the fishermen's contingency
4 plan, I failed to make the connection there. Could you tell us
5 what connection you have there? What do you see...the connection
6 between damage done already by other fishing vessels and/or the
7 damage done collecting the...collecting damages from the...from the
8 tanker spill recently on the island up north? I don't see the
9 connection.

10 MR. THOMPSON: I believe I was referring to two separate
11 types of funds. One for spills and one for damage resulting from
12 exploration. It's my understanding that the same contingency fund
13 that would compensate fishermen for damage to fishing gear done by
14 foreign vessels was also the same fund that would compensate them
15 for gear damaged as a result of oil and gas exploration. Suppose
16 they snare a pipeline or run a craft into another craft or an off-
17 shore rig or what not. If I'm incorrect on that, I'd like to be
18 corrected.

19 CHAIRPERSON: Mr. Karam?

20 MR. KARAM: That's...that's not correct. There are, in my
21 understanding, at least two statutes...two federal statutes to
22 compensate fishermen. One I think goes under the title of Title X
23 if I recall, and that has been around for a while, and if anything
24 would be applicable to the Polish vessel incident it would be that
25 one. It deals more or less with acts of God that happen to

1 fishermen. The 1978 amendments to the OCS Lands Act established
2 the Fishermen's Contingency Fund to compensate fishermen for loss
3 of or for damage sustained to gear or profits or wages as a result
4 of damages to the fishermen by OCS-related activities. Whether it
5 be pipelines, as you mentioned, material that's dropped overboard
6 that might snag a net, running over crab pots, whatever the case
7 might be. So...the Polish--

8 MR. THOMPSON: Okay. I appreciate the clarification--

9 MR. KARAM: --the Polish incident would not be associated
10 with the fund that's now been established to compensate fishermen.
11 And then, another part of those same amendments established the
12 Oil Pollution Fund which is another program, if you like. And
13 that's for compensation for damage from...that might occur if oil
14 is spilled from the OCS which then results in damage onshore, off-
15 shore, to people, to whatever.

16 MR. THOMPSON: Thank you. I appreciate that for adding to
17 my own information on it, but in all honesty my difficulty with
18 such a thing is, regardless of what the plan is, or the procedures
19 for reimburseing as a result of these activities. You're talking
20 about a lot of paperwork, you're talking about a lot of red tape.
21 And you're talking about time. And time is money to these people.
22 To a fisherman, you don't have the luxury of time. You can't wait
23 for new gear to come in. The season comes and goes. If they have
24 gear damage as a result of oil and gas exploration, that money is
25 irretrievably lost.

1 MR. KARAM: Well, this was taken under consideration by the
2 congressmen when they passed this law and that's why, the way the
3 law is written, I'm sorry I don't have a copy in front of me; but,
4 the way it's written it will compensate the fishermen not only for
5 the value of the gear, but also compensate them for profits that
6 are foregone because he can't fish because he doesn't have gear.
7 It will compensate his crew for wages foregone because the boat
8 isn't out fishing because he doesn't have his gear or because the
9 boat itself is damaged. The...I'm not going to guarantee it's
10 going to work perfectly...I obviously can't sit here and do that.
11 It hasn't been tried yet. The final regulations were issued by the
12 Department of Commerce January 24th. The funds have been set up.
13 The Geological Survey is responsible for collecting from the people
14 that hold leases and permits on the OCS in order to put money into
15 the fund. When it...there are claims submitted, and I understand
16 they're coming into us now from the Gulf of Mexico, we'll see how
17 it works. Hopefully it'll work well, but I'm sure not going to
18 guarantee that.

19 MR. THOMPSON: As I said, I appreciate your remarks. I just...
20 I suppose I'm uncomfortable with the limitations of any such plan.
21 I don't think there's a fisherman who...who's involved in the halibut
22 season who doesn't believe he can be the highliner of the Pacific
23 and how do you convince him that he couldn't have done better,
24 whatever figure you say you're going to compensate him for loss was.
25 It's like the old gold miner. He always thinks he's going to find

1 a motherlode.

2 CHAIRPERSON: Any other questions of Mr. Thompson?

3 MR. JONES: No, I have none.

4 CHAIRPERSON: Thank you very much.

5 MR. THOMPSON: Thank you. (Statement submitted - See Addendum)

6 CHAIRPERSON: The next witness is Ms. Susan Stubbe representing
7 the Kodiak Council on Alcoholism. Good morning.

8 MS. STUBBE: Good morning.

9 CHAIRPERSON: Thank you for waiting.

10 MS. STUBBE: I'm Susan Stubbe from the Kodiak Council on
11 Alcoholism--

12 CHAIRPERSON: Stubbe, thank you. I mispronounced your name.

13 MS. STUBBE: The Kodiak Council on Alcoholism operates at
14 the present time on a limited budget of \$347,000. This is not able
15 to adequately serve all of the ten thousand residents of Kodiak
16 Island. With the impact of a twenty percent increase in population,
17 which is the predicted growth rate for OCS development, our
18 services would fall short of serving this additional number of
19 people who might want to utilize our services. Hence, we would
20 request additional funding. The number one health problem in Kodiak
21 is alcoholism with seventy percent of all admissions at the hospital
22 being alcohol related. Furthermore, the number one social problem
23 in Kodiak is alcoholism with ninety-seven percent of all arrests
24 being alcohol related. Kodiak Council on Alcoholism finds the
25 document pertaining to the oil lease sale completely adequate (sic)

1 in addressing the problem of alcohol on Kodiak Island. Thank you.

2 CHAIRPERSON: Thank you. Any questions of Ms. Stubbe?
3 Would you tell me again the percentage of arrests that are alcohol
4 related?

5 MS. STUBBE: In the last three months, according to the
6 Kodiak Police Department, ninety-seven percent of all arrests were
7 alcohol related. (Statement submitted - See Addendum)

8 CHAIRPERSON: Thank you.

9 MR. CURLIN: And your conclusion was the statement was
10 inadequate. I lost the...

11 MS. STUBBE: Right. The document before you with the oil
12 lease sale is inadequate in addressing the problem of alcohol and
13 what we would do with the increased population.

14 MR. CURLIN: Inadequate, okay.

15 CHAIRPERSON: Okay, any questions of Ms. Stubbe? Thank you
16 very much.

17 MS. STUBBE: You're welcome.

18 CHAIRPERSON: Mayor Alan Beardsley from the City of Kodiak.
19 Welcome again Mayor Beardsley.

20 MR. BEARDSLEY: Thank you. On behalf of the City, I'd like
21 to welcome the panel, particularly welcome home Gerry Reid. The
22 good news is that uh...I'll try to summarize my remarks that I made
23 Tuesday in Anchorage, but I think for the benefit for the local
24 people I would like to more or less go through the same presentation
25 I made over there. My name is Alan Beardsley and I am the Mayor of

1 the City of Kodiak. I am here to give testimony on behalf of the
2 City of Kodiak regarding OCS Lease Sale No. 46. I would like to
3 comment on Lease Sale No. 60. The Kodiak City Council has taken
4 a position neither for or against Lease Sale No. 46 in the Western
5 Gulf of Alaska which will be held December 1980, or Lease Sale
6 No. 60 in the northern part of the Shelikof Straits scheduled for
7 September, 1981. However, we have some commonly-expressed concerns
8 about the Draft Environmental Impact Statement for OCS Oil and Gas
9 Lease Sale No. 46 to which I will be addressing my comments. My
10 colleagues and I generally feel that the Draft Environmental Impact
11 Statement has inadequately dealt with basic and paramount questions.
12 First, while the impact statement addresses exploratory and ad-
13 vanced stages of development, there is virtually no consideration
14 given to the economic impacts of no oil or gas discovery in signifi-
15 cant commercial quantities. The problem arises when you understand
16 that the Bureau of Land Management's Environmental Impact Statement
17 estimates an eight percent probability exists that commercial
18 hydrocarbon resources will be discovered in the lease sale area.
19 This added together with the fact that Lease Sale No. 46 constitutes
20 a geographical area matching nearly eleven percent of all the U.S.
21 Continental Shelf sales currently proposed for development. To
22 restate then, we have the largest single block of lease area with
23 one of the lowest industry priority ratings. This creates a con-
24 dition where development is possible but may never materialize.
25 Indeed, exploratory work may proceed at an extremely slow pace,

1 thereby drawing out, for a long period, the ultimate results and
2 impacts this lease sale will have on the City of Kodiak and Kodiak
3 Island Borough. Now, if you will hold that thought for a moment,
4 then look to the fishing industry. Understand that Kodiak and
5 indeed the whole industry are in the midst of major bottom fisheries
6 development. With that development are major corporate and economic
7 considerations concerning placement of investments for future
8 growth and supply of world protein. Now this slow to no development
9 of lease sales presents the problem of how will Lease Sale No. 46
10 impact those economic decisions at this point in time. We suggest
11 that a situation may develop whereby our fishing industry, the
12 mainstay of our community and entire Borough, may be stagnated for
13 lack of venture capital investments and general economic develop-
14 ment. In addition, with the probability of oil spills as addressed
15 in the impact statement, the concomitant of considerations of loss
16 of fishing gear etcetera must be considered. It is conceivable
17 that major processing industries will make critical decisions to
18 invest elsewhere and not in Kodiak, particularly in the new and
19 emerging bottomfish industry development. Often a potential problem
20 is more of a detriment and creates more fear than the actual
21 problem itself. We feel the Draft Environmental Impact Statement
22 does not address the negative impacts of no development and/or
23 slow development. The report mainly deals with the levels of
24 activity and not with the levels of inactivity after lease sales
25 are made. For various reasons, commercial interests in Kodiak have

1 had difficulties at times in securing financing for capital
2 projects. We would suggest this sort of activity could accelerate
3 so that Kodiak could be virtually red-lined from financial loans
4 and investments. Secondly, in our reading of the Draft Environ-
5 mental Impact Statement we find the impacts of various stages of
6 activity upon public services are inadequately dealt with. As
7 Mayor of the City of Kodiak, I cannot tell you how we should plan
8 in our budget process to meet expanded community needs within the
9 City and in adjacent road system areas in the Borough. What are
10 the dollars we can expect for various levels of activity to be
11 spending as a Municipality? I recognize that some of this is going
12 to be the burden of the local agencies to define, but it seems to
13 me that a new levy factor should have been addressed in the DEIS.
14 Thirdly, it seems obvious that Lease Sale No. 46 and Lease Sale
15 No. 60 should not be separate sales occurring at separate times.
16 They should have been considered concurrently, at least in terms
17 of Draft Environmental Impact Statements. Both lease sales will
18 or should impact each other and have a commonality in environmental
19 impact. This is not addressed in the Draft Environmental Impact
20 Statement draft report. Fourthly, what are the advantages that we
21 as a community will receive from oil development in Lease Sale
22 No. 46? Do we have any assurances that the product will not be
23 pulled off our coasts, containerized and shipped with our community
24 never seeing the benefits of low-cost energy yet feeling all the
25 negative impacts of oil development from population expansion to

1 natural resource damage. Where do we get the guaranties that the
2 fishing industry and shore-side commercial and residential interests
3 will benefit from energy resources at reduced costs? What share
4 will the petroleum industry play in mitigating some of the service
5 needs increased activities will create? Will they be responsible
6 for providing a tax base which can support additional police, fire,
7 roads and other municipal services. These are some of the concerns
8 and the objections the City of Kodiak has to the Draft Environmental
9 Impact Statement for OCS Oil and Gas Lease Sale No. 46. Thank
10 you.

11 CHAIRPERSON: Thank you, Mayor Beardsley. Any questions of
12 Mayor Beardsley?

13 MR. CURLIN: I think we worked him over in Anchorage.

14 CHAIRPERSON: We worked him over in Anchorage.

15 MR. REID: I...I would like...

16 CHAIRPERSON: Mr. Reid has a question, or a comment.

17 MR. REID: Mr. Beardsley, I guess maybe I'm not hearing quite
18 clearly, but, maybe it's a semantics problem...you talk about the
19 negative impacts of no development. Now, are you...are you speaking
20 in terms of after exploration? You're not using the term develop-
21 ment from the word go, but it's after exploration?

22 MR. BEARDSLEY: No. A sale but no development or exploration
23 and no development.

24 MR. REID: Okay. Thank you.

25 CHAIRPERSON: Have you had any... May I follow up on what

1 Gerry is getting at? Have you had any contact with the Municipality
2 at Yakutat with respect to the consequences there of Sale 76 where
3 there was the exploratory stage and no find of any kind?

4 MR. BEARDSLEY: Some of us are familiar with the situation,
5 but we have had no direct contact...at least I have not had.

6 CHAIRPERSON: That might be very instructive, I think, as to
7 what happened there.

8 MR. BEARDSLEY: They were very prudent, I think, in the way
9 they handled this whole affair.

10 CHAIRPERSON: Yes. Thank you very much.

11 MR. BEARDSLEY: Thank you.

12 CHAIRPERSON: The next witness scheduled to testify is Mr.
13 Jerome Selby. Is Mr. Selby here?

14 MR. SELBY: Distinguished panel members, ladies and gentlemen,
15 good morning.

16 CHAIRPERSON: Good morning.

17 MR. SELBY: My name is Jerome Selby. I am a member of the
18 Kodiak Island Borough OCS Advisory Council and am the Health
19 Director for the Kodiak Area Native Association. My testimony
20 presented this morning is presented as a private citizen who lives
21 in Kodiak and is an open letter to the Honorable Cecil D. Andrus,
22 Secretary of the Interior. "Dear Cec, I feel I can use the informal
23 salutation since I, like you, am a former Idahoan and you once rode
24 my black horse near Lake Cascade during the making of a tourism
25 film for Idaho. More importantly, having lived in Idaho for

1 considerable time prior to and during your governorship, it is my
2 personal assessment that you performed an admirable job as Governor
3 of Idaho. Based on these familiarities, I believe you and I share
4 a number of concerns including a concern to use all resources,
5 especially natural resources, in the wisest manner possible. For
6 the better part of the last two years I have served on the Kodiak
7 Island Borough OCS Advisory Council as that Council has wrestled
8 with attempting to analyze how the Kodiak Community could adapt to
9 oil exploration and possibly development without destroying or
10 severely damaging the basic economy of this entire Island, which is
11 the fishing industry. Out of personal interest, I have attempted
12 to focus on the socio-economic concerns of health, education and
13 social services aspects of this scenario and especially be aware
14 of possible cultural conflicts. As you may suspect, coming from
15 the Cascade area of Idaho, I cannot forego my intense interest in
16 the natural resources, especially the fish and game in this area.
17 The attempts of the OCS Advisory Council have been some of the most
18 frustrating times spent during my entire life. It is incongruous
19 to me that three test wells have been drilled and at least partially
20 paid for with tax-payer money, but none of these test drilling
21 findings can be made available to the local OCS Council or to the
22 Bureau of Land Management in assessing the oil and gas situation.
23 In short time...in a short time, after these hearings and the
24 Environmental Impact Statement is finalized, you must decide if
25 Sale 46 occurs or not. You, sir, are in an unenviable position.

1 Since you must rely primarily on the information in the Draft
2 Environmental Impact Statement, you are in an impossible position.
3 This particular document will be of little, if any, use to you in
4 rationally assessing if Sale No. 46 should occur. Let me sketch a
5 bit of the information you have to draw from and others during these
6 hearings can better speak to many of the details. Within the
7 document we are told that there is a relatively small amount of
8 gas and probably not enough oil to consider commercial development.
9 Yet, in the summary table, a no-sale alternative is identified as
10 a major impact to the national economy. In addition, the recently
11 released Environmental Impact Statement on the Five-Year OCS Oil
12 and Gas Lease Schedule clearly infers that any gas found in the
13 Sale No. 46 area will be reinjected into the field. While
14 reinjection makes a lot of sense due to the fact that there is no
15 West Coast delivery point available, I don't think reinjection
16 really does much for the demand for gas and oil or for the national
17 economy. Some other considerations you must be aware of are the
18 facts that, while the Draft Environmental Impact Statement socio-
19 economic analysis is based on the 1970 census, the 1970 census in
20 the State of Alaska has been acknowledged by the Census Bureau as
21 having an error factor of five to twenty-five percent. It should
22 also be noted that detailed population analysis prepared by the
23 Kodiak Area Native Association and provided to the BLM in early
24 May, 1979, was acknowledged as received too late to be included in
25 the document's analysis. There is no doubt that socio....that the

1 social support system is not prepared for a population influx of
2 the magnitude described for oil development. The hospital is about
3 the only facility with existing capability to manage such an
4 influx. On the page following page 94 in the document, we have a
5 graph indicating oil dispersion in oil spills in the Gulf of
6 Mexico as part of the oil spill analysis for Sale 46. However,
7 there is no analysis of oilspill in cold water. We must extrapolate
8 from the warm-water analysis what will happen. This is important
9 because the document states that there will be at least one MAJOR
10 oil spill if oil production is developed here. Unquantable....
11 unquantifiable accumulative effects are identified in the document
12 for a number of fish species including bottom fish, salmon, crab,
13 shrimp and other shellfish. In each case, in the latter part of
14 the document, there are repeated statements that the impact of an
15 oil spill and oil development on these species is unquantifiable.
16 Adverse impacts are identified as would be experienced by the
17 commercial fishing industry, marine bird populations, harbor seals,
18 sea otters, Stellar Sea Lions, fur seals, and whales. Again, it's
19 repeated a number of times that there would undoubtedly be adverse
20 impacts, but the extent of them is something that cannot be
21 determined at this time. It must be noted that considerable amounts
22 of these adverse impacts will occur during exploration and develop-
23 ment prior to production. Therefore, damage to the environment is
24 certain, the only question is, how much damage. The document
25 indicates that no one can predict how much damage. Let us, therefore,

1 asses your position. On the one hand you have inconclusive and
2 negative information concerning Sale No. 46. On the other, you
3 have an oil-bloated national population demanding oil at any cost.
4 I would not suggest that the feelings of the local Kodiak Island
5 residents can be a significant consideration in the face of
6 national public demand for oil. The population just isn't here.
7 However, I would submit that a rationale person, based on the little
8 information in the Draft Environmental Impact Statement, the Five-
9 Year Leasing Schedule, and the massive unknown information, can
10 find very little to justify proceeding with Sale No. 46 at this
11 time. You must decide to approve the lease sale and hope for
12 minimum damage or postpone or cancel the sale in the face of the
13 public demand for oil. This is a difficult decision to make. In
14 your deliberations, let me remind you of the many courageous men
15 in our country's history who sacrificed public popularity to stand
16 by the right decision. President John F. Kennedy cited a number of
17 such individuals in his book Profiles In Courage. Based on your
18 past performance, I believe you have the courage to select the
19 no-sale alternative and withstand the oil company and public on-
20 slaught of opinion. You, as one man, hold the destiny of the Kodiak
21 Island community in your decision. May God grant you the wisdom
22 and courage to make the right decision. With regards, Jerome
23 Selby."

24 CHAIRPERSON: Thank you, Mr. Selby. Any comments or
25 questions? (no response) Thank you very much.

1 MR. SELBY: Thank you.

2 MR. CURLIN: I was wondering if the Secretary rode well on
3 your horse?

4 MR. SELBY: Quite well, yes.

5 MR. CURLIN: You say it did ride?

6 (Audience and panel laughter)

7 CHAIRPERSON: We'll see to it that he gets the letter.

8 MR. SELBY: Thank you.

9 (Mr. Selby's Statement Submitted - See Addendum)

10 CHAIRPERSON: The next person testifying is Mr. Thomas
11 Peterson, also on the OCS Advisory Council.

12 MR. PETERSON: Good morning Esther and panel.

13 CHAIRPERSON: Good morning.

14 MR. PETERSON: I will be reiterating my testimony for the
15 sake of the audience here that was unable to be able to stay in
16 Anchorage during the hearings there.

17 CHAIRPERSON: I do well with re-runs, Tom.

18 MR. PETERSON: Okay. Compatibility between the well-estab-
19 lished Kodiak seafood processing industry and oil and gas industry
20 has been an important issue that's been approached while addressing
21 the alternatives listed in the Draft Environmental Impact Statement
22 on Lease Sale 46. With exhausting effort, this approach was merited
23 to the degrees of impact given to the commercial fishery section
24 listed numerously throughout the text. After careful study, the
25 Kodiak Outer Continental Shelf Advisory Council cannot find any

1 compatible relationships between these lucrative industries what-
2 soever from the information given in the DEIS. In the legal
3 mandates and authority section of the DEIS, questions of economic
4 magnitude are briskly brushed over in the ambiguous guidelines
5 set forth under the establishment of compensatory funds. One is
6 to ask, that in case of large-scale oil spill, how will natural
7 resource loss be quantified then assessed for value when a claim
8 is submitted from those who receive earnings from activities using
9 these resources? Also, how long would such an endeavor of this
10 scale be completed and what provisions provide for additional
11 downtime loss of a production season? These questions are not
12 expressly answered in this document. A shortsightedness which
13 seems to be unimportant to address in the draft by BLM. The
14 seafood processing industry is not only concerned with the highly
15 probable occurrence of a destructive oil spill onto the natural
16 resources which provide sustenance to this vital industry, but to
17 the eventual hardships of the labor force competition as a result
18 of oil and gas development. As stated in the DEIS, minor impact
19 to employment prevails in enclave and non-enclave development
20 scenarios of all alternatives except the no-sale alternative. It
21 should be noted that the authors of the computations to figure
22 employment growth explain that the representative figures do not
23 take in account a secondary labor demand. This demand is the basis
24 for argument on compatibility of these two industries. When pre-
25 production period construction of oil facilities begins, local

1 labor will most likely be scouted to fill the demand. When this
2 occurs, the seafood processing labor force will be the labor pool
3 from which semi-skilled workers can be obtained. A majority of
4 seafood plant workers have semi-skills in construction, carpentry,
5 plumbing, electrical and mechanics. The seafood industry has
6 relied on this type of labor force that has filtered into Kodiak
7 for the last twenty years. A direct exhaustion of the processing
8 labor force, especially in the maintenance field, will be the first
9 to be swayed by higher wage earnings offered in the construction
10 phase of oil and gas development. Then, accordingly, direct
11 depletion of the processing labor force will follow. Unfortunately,
12 because of the lesser wage that can be offered by seafood plants,
13 this industry will be hard pressed for labor in maintaining
14 successful production seasons. If a large migratory pattern should
15 prevail as it did during the Prudhoe Bay development, as in
16 Anchorage, and Kodiak receives an influx of a large amount of
17 labor potential, the risk in training people in seafood processing
18 only to lose them perhaps at a later date to oil development, is
19 a risk that cannot tolerate itself for any length of time. High
20 turnover rate in employment in the seafood industry could triple
21 with the conditions aforementioned. This problem would severely
22 attack existing fisheries, but what about the burgeoning bottom
23 fisheries? Kodiak is, at this time, the only community in Western
24 Alaska to make a substantial effort in developing a bottomfish
25 industry. The risk of such endeavor not only falls upon the

1 shoulders of those who fish, but also on those that produce this
2 resource. Unlike shellfish, bottomfish processing is a much more
3 intricate operation. The processing industry will have to financ-
4 ially endure training programs to familiarize laborers to become
5 skilled in the operations of processing raw fish into a compartive-
6 ly high-quality food. This, of course, is somewhat facilitated by
7 expensive machinery, but proper training in the operation of highly
8 technical machinery use and meticulous trimming and finishing
9 techniques must be achieved in order to successfully compete in
10 a world market. This type of product has a very low profit margin.
11 So, consequently, high volume interceded with high gaulity must be
12 ensured for profitable investment. High volume, high quality are
13 established in time. Time that apparently can be robbed by the
14 strong demand for labor by oil and gas development. The oil
15 industry has within its being to create severe detrimental and
16 adverse impacts on an industry that relies on an illusive fish
17 resource. Competing not only with labor, but with water, sewer
18 and electrical demands, it seems evident that the seafood processing
19 industry could lose a great deal and gain very little. A potential
20 loss that could break the economic backbone of the Kodiak fishing
21 community. Now, I have here also an addition to my testimony that
22 I wish to submit now. (Handed Stated to Reporter - See Addendum)
23 During AOGA's panel presentation to the hearing staff March 4, 1980
24 in Anchorage, Mr. Eddy of the hearing staff directed a question to
25 the panel concerning local hiring practices of oil companies during

1 the Prudhoe Bay oil development project. Mr. Eddy asked if local
2 hiring was procured in the local north slope native communities.
3 Mr. Crain, representing Chevron U.S.A. on AOGA's panel, replied to
4 the question. This statement ... His statement.... Or, he stated
5 that uh... and I don't have it written in here from some embarrassing
6 reason, but...Anyway, he stated that they did hire locally, and
7 he did not state that the State of Alaska also had placed a prerog-
8 ative in that line of on-shore development. Well, the statement
9 does contradict local hiring scenario on the DEIS for Kodiak area
10 sale. Although, comparing Prudhoe Bay to Lease Sale 46 in relation
11 to hiring procedure might be like comparing apples to oranges, Mr.
12 Crain's statement does lend credibility to the argumentative points
13 mentioned in this testimony. I personally believe that oil companies
14 will procure a labor force from this community in size that would
15 adversely affect the processing industry. I hope that the concerns
16 listed in my testimony will be addressed accordingly by the
17 Secretary of the Interior in his endeavor to unbiasedly access Lease
18 Sale 46 in oil development importance. Thank you.

19 CHAIRPERSON: Thank you, Tom. Ray Karam?

20 MR. KARAM: I think it might be helpful for the record, since
21 we went into some detail on the Fishermen's Contingency Fund, if
22 I were to quote the statute, a portion of the law that relates to
23 the Oil Spill Pollution Fund, because this question comes up all
24 the time. You know, what's going to be compensated by this fund,
25 what's eligible to be compensated by the fund. I might mention

1 before I read this, it's only a few lines, that the regulations
2 that implement this particular part of the law are the responsibility
3 of the Coast Guard and they were published of March of 1979, so
4 this program also adds...is the contingency fund for fishermen's
5 losses in place and ready to be activated in the event it...we
6 have a spill or something happens where the fund has to be activated,
7 and we hope it won't be. But it would cover removal costs, and
8 then damages including injury to or destruction of real or personal
9 property, loss of use of real or personal property, injury to or
10 destruction of natural resources, the loss of use of natural
11 resources, loss of profits or impairments of earning capacity due
12 to injury to or destruction of real or personal property or natural
13 resources. And then for communities, loss of tax revenue for a
14 period of a year due to the injury to real or personal property.
15 So, again I'm not going to guarantee that everybody's going to get
16 paid for every claim they ever submit, I don't think anybody could
17 make that guarantee. But, at least in the concept and in the
18 structure and the scope of the law, it does go to, not only actual
19 but consequential damages. It goes to what you actually lose when
20 it...the occurrence takes place and what you would have made had
21 the occurrence not taken place. And, I don't know, that might
22 shed some light on it. And if I might ask another question?

23 CHAIRPERSON: Sure.

24 MR. KARAM: Uh, ask one of Tom. You mentioned that the
25 north slope experience is like comparing apples and oranges as far

1 as hiring by the oil companies to what might happen or not happen
2 in Kodiak. I wonder if you could elaborate on that a little bit?

3 MR. PETERSON: Well, the State of Alaska was instrumental
4 in providing regulations for the oil companies to hire locally
5 by the input placed by the northslope native associations there,
6 and there were problems that existed for the two years of their
7 development stage where those practices were not met. And there
8 were various law suits within that. Now, we're not sure how the
9 State will regard local hiring practices when offshore development
10 comes. We're not too sure how they will approach that and if there
11 will be much input from the State and say "well, listen, you're
12 going to hire locally, if you do." And I do want to reiterate the
13 point that I think that the State might give some strong consider-
14 ation for local hiring and that the labor force closest to the
15 vicinity of oil development will probably be the one that will be
16 affected as far as for hiring.

17 CHAIRPERSON: I might comment on that, Tom, also, for the
18 benefit of some of the people from Washington. Prudhoe Bay, of
19 course, was developed on state land and so, some of the conditions
20 of the leases had to do with local hire. There also was in place
21 a state statute...an Alaska Hire Statute which has since been
22 declared unconstitutional, I think. So, there would be quite a
23 different legal situation with respect to OCS development on
24 requiring any local hire. Jim?

25 MR. CURLIN: I don't know whether you brought this out the

1 other day Tom. I don't recall that we did, but you mentioned the
2 development of the groundfish industry, and I wonder if there are
3 any projections that you folks have on just how that is going to
4 develop in Kodiak? What is going to be your labor demands over
5 the next foreseeable future, five years, seven years, whatever?

6 MR. PETERSON: We expect that the labor demands for the next...
7 within the next five years which will be the most precarious develop-
8 ment stage, that perhaps we might increase our labor force by
9 perhaps close to eighty percent.

10 MR. CURLIN: And that would bring it to about what then?

11 MR. PETERSON: Well, I...let's see--

12 MR. CURLIN: How many people do you have now?

13 MR. PETERSON: I would say close to relationship...there's
14 close to fourteen hundred people involved in the bottom...or in
15 the seafood industry. Uh, direct relation. You know, there's
16 a lot of indirect relation to it. That...I couldn't surmise on,
17 Jim.

18 MR. CURLIN: Okay.

19 CHAIRPERSON: Fourteen hundred involved now in seafood
20 processing?

21 MR. PETERSON: I would say at least fourteen hundred, yes.

22 CHAIRPERSON: I think those are the figures you gave in
23 Anchorage. And, that would be increased by eighty percent?

24 MR. PETERSON: I would assume so, yes.

25 CHAIRPERSON: Over four to five years?

1 MR. PETERSON: Within a five-year span, yes.

2 CHAIRPERSON: Any other comments or questions to Mr.

3 Peterson? (no response) Thank you Tom.

4 MR. PETERSON: Thank you.

5 CHAIRPERSON: Clair Harmony, Manager of the City of Kodiak.

6 May we ask your indulgence and take a brief coffee break, Mr.

7 Manager? Okay, thank you. Let's stand in recess for ten minutes.

8 (OFF THE RECORD)

9 CHAIRPERSON: Let's come back to order, please. Mr. Harmony,
10 thank you very much for waiting for us. Mr. Clair Harmony, Manager
11 of the City of Kodiak is the next witness. What a nice name.

12 MR. HARMONY: Thank you. Begin any time?

13 CHAIRPERSON: Any time.

14 MR. HARMONY: All right. Madame Chairman, members of the
15 Board, let me first welcome you to Kodiak. And, I appreciate the
16 opportunity to discuss this issue which I think is critically and
17 vitally important to our community. I'm planning to address
18 problems of the proposed Lease Sale 46 and the draft impact
19 statement concerning it in three areas. The first area is the...
20 relative to the inadequacies of the separate enclave consideration,
21 i.e., where the impact statement fails to address problems caused
22 by a separate off-the-road system establishment or location for on-
23 shore facilities. Secondly, inadequacies of the impact statement
24 to deal with the emerging bottom fisheries resource development.
25 And thirdly, and finally, as to the questionability of a national

1 policy necessitating negative tradeoffs between a renewable resource
2 in favor of a limited and short-term resource, which has a value
3 far beyond its use as an energy source. In the first category
4 dealing with the location of onshore facilities, the Draft
5 Environmental Impact Statement fails to deal with the competitive
6 impacts of a separate community, a separate town, which, while
7 built by the oil companies, will sooner or later draw upon local
8 and state resources in direct competition with Kodiak and villages
9 in the Borough. The spread of State, Federal and local tax effort
10 will be distributed more diversely. In future years the newly
11 generated tax base will be inadequate to meet needs. The oil or
12 natural gas resources will run out leaving a community which is not
13 economically viable. Therefore, it will be a burden on the whole
14 region and state. Ugak Bay is treated as a separate enclave, off-
15 the-road system, but we have seen tentative maps which show
16 potential road developments to Ugak from the existing road system.
17 The Environmental Impact Statement does not address this eventuality
18 or possibility adequately. Indeed, the impact statement does not
19 address the combined impacts of Lease Sale No. 46 and Lease Sale
20 No. 60, the latter of which is yet to be defined and take place in
21 the lower Cook Inlet and Shelikof Straits. And we feel that they
22 should be considered together. In my second category of discussion
23 of the inadequately treated subject of the bottom fisheries
24 development, I'd like to emphasize that a potential problem can
25 hamstring and delay development often times faster than the actual

1 fact of a problem. Like Pillar Mountain hanging over the lives
2 and fate of our community, as people and the press outside believe,
3 potential oil development can cripple and stagnate an emerging new
4 american bottom fisheries industry. The emergency...or emergency
5 of this american industry, bottom fisheries, will ultimately have
6 a greater impact on U.S. balance of trade than the proposed Lease
7 Sale No. 46. Particularly since this sale is rated amongst the
8 lowest priorities for the oil industry. Why should financial
9 institutions invest in bottom fisheries development in Kodiak if
10 their resource has a potential to be damaged, polluted or hindered
11 in any way? Shore-based canneries produce jobs and provide
12 continuing economic stability, but lack of their development here
13 could insure an entirely different approach in development and
14 location to the detriment of our Kodiak communities. The Draft
15 Environmental Impact Statement does not address the impacts of
16 a potential problem to the emerging bottom fisheries industry, and
17 we think it should. There is a value in the biblical admonition
18 that the greatest thing to fear is fear itself. Oil development is
19 the...oil development in the heart of the world's greatest fisheries
20 does produce fears and in turn affects fisheries planning and
21 development. Finally, in the third category of concern, and in
22 treating the general concept of energy needs versus renewable
23 resources needs, I am not too sure that the short term benefits
24 of oil and/or natural gas development off these shores does in
25 fact outweigh risk to long-term renewable food resources. And, in

1 fact, that the use of our oil reserves should be depleted in this
2 manner. You know England cut down their last forest before new
3 energy sources came into play. Are we to use our last oil reserves
4 before technology develops new energy sources? What about future
5 generations that will NOT have available critically needed
6 petrochemicals? Will it indeed be said of our generation and time
7 that they actually burned the stuff? They actually burned and do
8 burn oak, mahogany and other valuable timber which are critically
9 needed resources today. Oil will continue to be a needed resource
10 in the future as a petrochemical, but it is not sufficiently
11 renewable as with our forests. We risk a lot to world protein
12 resources and future needs of petrochemicals by rushing into,
13 particularly oil development, in this region. And that concludes
14 my remarks, Madame Chairman.

15 CHAIRPERSON: Thank you, Mr. Harmony. Any questions or
16 remarks? Ray Karam?

17 MR. KARAM: Thank you, Mr. Harmony, for your welcome to your
18 city. I meant to thank the Mayor also, so I'll take this opportunity
19 to do that. I'd just like to ask a couple of questions on some of
20 the points that you made, and maybe get a little clarification.
21 On the whole question of enclaves, if one had a choice, if one had
22 to make a choice, let me put it that way, between development in
23 Kodiak on an enclave basis or a non-enclave basis, I wonder if you
24 could give us your views as a Manager as to which would be preferable;
25 and perhaps in your response to that question, if you care to respond

1 to it, you could address the lessons that might have been learned
2 or can be learned from what I understand are essentially enclaves
3 on the Island now in the cannery industry, where there are near
4 some of the native villages, as I understand, some canneries that
5 are certainly not part and parcel of native traditional life? And
6 you know, are basically the same type of enclave, at least
7 conceptually.

8 MR. HARMONY: First, let me say that I think it's erroneous
9 to assume that there is an on-the-road system establishment of
10 shore-based facilities versus an off-the-road system. We have
11 seen maps that do indicate roads can connect through the mountains--

12 MR. KARAM: May I interrupt there for just a second. I was
13 going to ask you another question, maybe you could address it now.
14 Who controls where the roads are built or not on the Island?

15 MR. HARMONY: I'm sure it would involve the State, the natives
16 who own much of the lands, and so forth--

17 MR. KARAM: But, this building roads is a manageable thing,
18 just like zoning and saleability--

19 MR. HARMONY: Availability of resources, right. Uh, but I
20 don't think it is a simple question of, you know, let's...in the
21 environmental impact report we tend to look at it in terms of, well,
22 this is going to be...these are the impacts if it's on-the-road
23 system and these are the impacts if it's off-the-road system. And
24 I think that they...it's not particularly...that's not particularly
25 true. I think the impacts are relative to the community. They can

1 be linked and I think there would...once the separate establishments
2 such as Ugak Bay, if it were built there there would be pressure
3 to build a road that would be linked with the on-the-road system.
4 There are economic advantages to having a link in relative to our
5 business community and so forth. Uh, there are disadvantages, of
6 course, and that would be in some of the public services, road
7 systems, maintenance, and so forth. We don't even know how to
8 address how you plan for budgeting for these kinds of activities
9 and the increase in demand. I think as far as the other enclaves
10 of a cannery-based industry throughout the Island, it's a little
11 different in nature. And, in terms of manpower, canneries draw a
12 lot upon local resources in terms of people and do provide employ-
13 ment for long-term residency. That's one of the advantages of
14 Kodiak say over Dutch Harbor. We have a work force that is fairly
15 stable. And, whereas Dutch Harbor's merging area does not have
16 a stable work force. I don't think that oil development would give
17 us that kind of stability and I think that particularly if it did
18 develop substantially then you would have a loss, you'd have a
19 build up in economics and then you'd have a drop off in economics.
20 And ultimately, that resource, I would assume, would be used up,
21 and that oil, natural gas resource. Then what happens to that
22 community that grew up because of it? I think there's, especially
23 if it's a separate enclave or separate port, it may not have a
24 new life or regenerable economic life. I do see some problems
25 with it. I think that the Environmental Impact Statement should

1 address it a little bit more carefully.

2 MR. CURLIN: Thank you.

3 CHAIRPERSON: Chuck Eddy.

4 MR. EDDY: Just a short follow-up on that. Is...do I take
5 it, what you're saying about the enclave concept is that a separate
6 enclave that's isolated from the community, a Prudhoe Bay type of
7 situation, is not really workable for a place like Kodiak, or am
8 I misreading you?

9 MR. HARMONY: I don't think I really said that. I said that
10 a second enclave or separate enclave is not...let's not look at it
11 in terms of a separate enclave, you know, because the potential for
12 connection, it becomes part of the road system almost immediately.
13 The demand will be there. So, I don't think we can deal with it
14 in those terms. Uh, I think the community ultimately has to decide,
15 you know, whether it wants it part of the...part of its connected
16 lifestyle... uh, wants to take the risk on those negative impacts
17 of oil development on our road system either just slightly removed
18 or close by. I have a problem in trying to see Ugak down there
19 as potential development site and I know up here we have Lease
20 Sale 60 coming and are they going to combine the two? And then
21 where is the enclave going to be? Is it going to be two separate
22 establishments? Are they going to have a common...is there a
23 potential for common point and multiplicity and separation of,
24 what I see as communities, creates a bureaucratic, a tax burden,
25 a separate facilities, duplication of services, public services.

1 That just creates more problems.. than I think that the ultimate
2 tax base can handle.

3 CHAIRPERSON: Jim Curlin.

4 MR. CURLIN: I have a related question, I believe. And we've
5 had experiences with "enclaves" elsewhere. Compounds in effect
6 in foreign countries, and I don't suggest it's analagous with
7 Kodiak, but I was wondering, really what about the socialization
8 under that kind of a system where you kind of got them and us.
9 Would you see that as a potential problem, kind of a social outfall
10 from that kind of...I'm reluctant to say ghettoization, but that
11 kind of collectivism?

12 MR. HARMONY: In my reading of Kodiak, the separate nature
13 of the communities, uh, we're pretty homogeneous in some ways.
14 There's a certain sense of Kodiak...uh, a unity. When I see the
15 type of development in the oil industry, we're talking about a
16 somewhat...at least in the early phases of a different type of
17 person coming in, and I do see social conflicts. Particularly
18 during that stage of development when they're not really people
19 that are coming here to look for long-term employment or to stay
20 here. They're going to develop industry and then they're going to
21 move on. And I see problems developing from that. Social problems.

22 CHAIRPERSON: Anyone else have any comments of Mr. Harmon?
23 (no response) You mentioned fear. I guess I'd like a suggestion
24 from you of how you can make information available...or is that
25 something that is never possible until someone has experienced that

1 kind of development?

2 MR. HARMONY: Uh, you know, in a philosophical sense, you
3 can deal with fear through knowledge and that's always important.
4 Of course, we don't know, and we've talked about potential oil
5 spills...we don't know whether that perhaps an oil spill would
6 never occur, perhaps they would occur in a small...to a small extent.
7 Perhaps it would be significant but the prevailing currents for
8 where they occurred or their lasting impacts on the environment
9 might not be as great. They may be substantial, but the resource,
10 fisheries resource may be quickly renewable and be able to replace
11 it. Living with the problem is a lot better in terms of under-
12 standing it than thinking about it. Now we see this lease sale
13 as lowest in the industry's priorities. It's one of the largest
14 lease sales of all the continental lease sales up...with what this
15 five year period, I think. And, the potential exists for maybe
16 some dry wells not developing, spread out before they ultimately
17 get...really get lucky and strike some rich finds. What does this
18 interim period do to us? Interests from virtually all over the
19 world are looking at our waters and the Aleutian Chain trying to
20 make decisions on how to develop the resources, adequately develop
21 them. And American industries are particularly looking at it.
22 What does this do to our...that investment of venture capital in
23 Kodiak? And, we know that most of the resources seem to be out by
24 Dutch Harbor and the Aleutians. Kodiak is still a viable port.
25 It has the infrastructure and techniques, fishing fleet, and so

1 forth. We can bring in the product, but if I were a planner in a
2 corporation that was going to invest several million dollars, I
3 would think twice if I knew that my investment could be clouded by
4 oil spills and so forth. Which may never occur.

5 CHAIRPERSON: I would just say, though, that Kodiak, of
6 course, suffered a very devastating earthquake and Tsunami in 1964
7 and yet I don't detect that kind of fear on the part of the people
8 in Kodiak with respect to that kind of contingency that might also
9 wipe out the fishing fleet, might also damage the community. Uh,
10 really, I'm interested in this simply because of our obligations
11 in the OCS program to try to inform and get as many facts as
12 possible before the people.

13 MR. HARMONY: I think your observation is particularly good
14 and particularly astute. I...there isn't that fear here and it's...
15 it's always outside...you know, how other people perceive us and
16 they're the ones with the capital. We have a study, I mentioned
17 Pillar Mountain hanging over us. Some of the rest of the State
18 sort of... it bothers them a little bit, but, mostly it's outside.
19 And, but it doesn't really bother people in Kodiak. We actually
20 drive under the mountain without looking up often times. And...
21 I have a study the U.S.G.S. sponsored and it's out of Colorado and
22 it's a scenario of an earthquake prediction of an 8.0 magnitude in
23 a couple of southern California communities and what would happen
24 if we were to issue a warning within a year that this type of
25 earthquake will happen for say San Jose. And, the best thinking

1 that the United States Government could hire to work out the
2 scenario indicates that some of the first things would be exclusion-
3 ary clauses on insurance, ultimately leading to whether people
4 invest in a community, and for home loans, commercial loans, things
5 like that. And the earthquake, of course, is never happening. And
6 ultimately people leaving their homes. That's the worst of all
7 possibilities. We found with Pillar Mountain just one statement
8 of the first level of issuance of a red-flag warning. The first
9 level, the first potential fear level that we did get immediately
10 exclusionary clauses written into the insurance policies along the
11 docks. In fact we had a city policy was cancelled...or not
12 cancelled but they indicated they weren't going to renew our
13 insurance and we had to have another firm come in and pick it up.
14 Fear, and how the rest of the world sees us is really the problem.
15 People in Alaska and in Kodiak live with dangers all the time--

16 CHAIRPERSON: But they don't write environmental impact
17 statements.

18 MR. HARMONY: They don't write environmental impact state-
19 ments.

20 CHAIRPERSON: Thank you very much.

21 MR. HARMONY: Okay.

22 CHAIRPERSON: I think it's very helpful. Any other questions
23 of Mr. Harmony? (no response) Thank you. The next witness is
24 Mr. Hank Pennington, also on the OCS Advisory Council.

25 MR. PENNINGTON: Good morning, and welcome to Kodiak.

1 CHAIRPERSON: Thank you.

2 MR. PENNINGTON: My name is Hank Pennington and I'm the
3 Chairman of the Kodiak Island Borough Outer Continental Shelf
4 Advisory Council. Today I would like to address my comments to
5 some of the practical aspects of fitting an oil industry into a
6 fishing community such as Kodiak. These factors are not addressed
7 in the draft, yet they are the kinds of details that, unless
8 anticipated and planned for, can cause considerable disruption
9 of small communities which are dealing with the accelerated pace
10 of oil and gas development. On arrival in Kodiak, the panel
11 members had an opportunity to rub elbows with a share of Kodiak's
12 population at the public airport. It was crowded, to say the
13 least. Fortunately, for your convenience, these hearings were
14 scheduled in the winter rather than the summer. In the summer
15 our small terminal handles direct flights to and from Seattle,
16 flights to Anchorage and Homer, plus all the people arriving and
17 departing and their friends and relatives coming to pick them up
18 or drop them off. There is a significant volume of air cargo that
19 must pass through that terminal also. This summer would provide
20 an extreme example of another face of air transportation in Kodiak.
21 Not only do we process the seafoods landed directly by fishing
22 boats in Kodiak, but due to limited processing facilities in
23 Bristol Bay, a large quantity of seafood is flown by cargo planes
24 to Kodiak for processing. This year the anticipated harvest of
25 red salmon in Bristol Bay is fifty million fish. While comparing

1 the airport...or the air transport of such a significant...or a
2 significant fraction of those fish to Kodiak with the historical
3 Berlin airlift might be an overexaggeration, it is fair to say that
4 our airport is going to be heavily congested in the summer months.
5 Fifty million fish is certainly some kind of record, but the
6 fishing industry hopes that it is by no means the last such harvest.
7 Coincidentally, the summer months I keep referring to are also the
8 peak period of activities for developing an off-shore oil and gas
9 field. I will let these few brief comments introduce the topic
10 of transportation and other witnesses today will develop the topic
11 further. A practical matter which will have to be dealt with by
12 both the Coast Guard and the U.S. Geological Survey is the foreign
13 fishing fleet off Kodiak. Those trollers are quite large, usually
14 exceeding two hundred feet in length. Their fishing gear and
15 vessel horsepower are of a magnitude which poses a major threat
16 to the well being of any underwater equipment of the oil and gas
17 industry. Yet I see no mention of the potential conflict in the
18 DEIS. How can any such conflict be avoided? Some form of multi-
19 lingual notice system to these foreign fishermen must be provided
20 so that both they and the oil industry can avoid damage to equip-
21 ment and the real danger of major spills. The mention of spills
22 brings up another practical consideration. We were assured that
23 oil spill containment and clean-up equipment will be maintained
24 within effective striking distance of any potential spills by a
25 previous witness in this hearing. This same witness also informed

1 us that such equipment was only effective in five-foot seas. This
2 would seem to imply then that clean up or containment is not only
3 impractical off Kodiak but impossible. Once again, we were assured
4 that, in the case of gas development, the gas itself will have
5 insignificant effects in a spill and the liquids are so light as
6 to volatilize quickly into the atmosphere in storm conditions. But
7 those assurances would only seem to apply if such a spill were
8 practical and occurred at the surface. Buried pipelines should
9 assure that no spills occur at depth. But let's be practical again.
10 As written, the DEIS doesn't really address the fact that much of
11 our ocean bottom is not soft enough to facilitate pipeline burial.
12 In reality, some significant portions of any pipelines will not be
13 buried and any that is buried will be subject to the strong currents
14 off Kodiak and any subsequent scouring action. It is feasible, then,
15 for even the buried portions of a pipeline to be exposed by erosion.
16 So if we are practical and realistic, we now have exposed pipelines
17 transporting not only gas but liquid condensates in the immediate
18 vicinity of a foreign fishing fleet that doesn't know the lines
19 exist. Thousands of horsepower and massive fishing gear in the
20 vicinity of unknown pipelines spells deep ocean spills in anyone's
21 book. It is safe to say that liquid condensates or even light oil
22 might be somewhat slower to volatilize should such likely spills
23 occur at depth. Such spills would then be subject to onshore
24 dispersal by the deep onshore currents which are noted in the OCS
25 EAP research. I am relatively certain that circumstances such as

1 these are not modeled into your Monte Carlo spill projection
2 analysis. I hope that these few examples of practical limits of
3 this DEIS help the panel better understand our criticism of the
4 document as a vehicle for bringing a new and dynamic industry to
5 Kodiak. Certainly all the snarls and bottlenecks which accompany
6 OCS oil and gas development cannot be anticipated. We feel, however,
7 that a very significant effort should be made to do so by the
8 sponsoring agency. After all, once the decision to develop the
9 field is made, the burden of untangling the snarls and bottlenecks
10 will fall directly into the lap of the community hosting the develop-
11 ment. Thank you.

12 CHAIRPERSON: Questions or comments of Mr. Pennington?

13 (no response) Thank you very much. Oh...Chuck Eddy.

14 MR. EDDY: One...one question Hank, on the ability to bury
15 pipelines, is that just...on...your source of information for that
16 is...is your knowledge of the general nature of bottom conditions
17 here and your feeling that existing equipment...pipeline laying
18 equipment is not going to be able to penetrate the bottom to bury
19 the lines or was---

20 MR. PENNINGTON: I think it's a combination of factors. Some
21 of the tracts that are up for leasing are in fairly deep water and
22 I'm not sure about the ability in the first place to even bury a
23 pipeline at those depths. I know it's been demonstrated in over a
24 thousand feet of water, but some of the tracts are even..in even
25 deeper water than that. The ability to dig through rock and bury

1 a pipeline successfully at depth, I don't have any background in,
2 I've never heard it referred to directly. I assume that it is a
3 problem. I have not had anybody change my mind on that, but I'd
4 love to have it.

5 CHAIRPERSON: Are there limits of depth with respect to the
6 bottomfishing?

7 MR. PENNINGTON: At this time, off of Kodiak, the troll fleet
8 operates at depths less than one hundred-fifty to one hundred-sixty
9 fathoms. Now, in talking development of a bottomfish industry, the
10 troll fleet off of California which interchanges directly with the
11 troll fleet here in Kodiak, is currently harvesting flounder to
12 depths of over nine hundred fathoms, which is a mile deep. And
13 with flounders, you're talking gear that is designed to scour the
14 bottom, not pass over some things like a pipeline. So, within
15 the foreseeable life of this field then, looking towards bottomfish
16 development, the whole process of notifying fishermen and avoiding
17 any type of conflict has to be addressed and fully developed.
18 Particularly for the foreign fleet.

19 CHAIRPERSON: Ray Karam?

20 MR. KARAM: I'd just like to make one comment so that we
21 don't have any misimpressions. U.S.G.S. has a very elaborate set
22 of rules and regulations for pipelines and how they are to be laid,
23 specifications. Part of the regulations deal with and will require,
24 where we have pipelines, for example, the Gulf of Mexico, quite a
25 number of pipelines, high-low pressure valves on segments, so that

1 if, in the event there is a rupture in the pipeline for whatever
2 reason, it isn't as if, you know, it just keeps going for days and
3 days and you have these huge spills. You'd lose what was in that
4 segment, obviously, but these high-low pressure valves would be
5 tripped and it would shut off the pipeline. I just wanted to make
6 sure we didn't get the idea that if there is a break in the pipeline
7 you've had it forever.

8 CHAIRPERSON: Thank you very much.

9 MR. PENNINGTON: Thank you.

10 CHAIRPERSON: The next witness scheduled is Mayor Wallin of
11 the Kodiak Borough. Is she here? (no response) I understand
12 that Mayor Wallin will be filing her written testimony with us.
13 I'm sorry that she's not here.

14 WITNESS: Uh, Esther, I have the testimony here to prepare.
15 I would request that perhaps you could wait until after lunch and
16 take lunch early? It's ten minutes to lunch.

17 CHAIRPERSON: All right. We'll reschedule. I still have
18 David Hoopes of the Kodiak Island Borough on the witness list before
19 lunch. We'll try and reschedule Mayor Wallin after lunch then,
20 thank you. Mr. Hoopes? I know it's close to lunch and I'm running
21 behind in time.

22 MR. HOOPES: I'll try not to make such a frenetic entrance
23 this time.

24 CHAIRPERSON: Thank you. Mr. David Hoopes, representing
25 the Kodiak Island Borough as a consultant.

1 MR. HOOPES: Distinguished panel members, ladies and
2 gentlemen, good morning. My name is David Hoopes and I have been
3 retained by the Kodiak Island Borough as their OCS consultant to
4 review the Draft Environmental Statement for OCS Lease Sale No. 46
5 and to assist the Borough in preparing testimony for this hearing.
6 My testimony on behalf of the Kodiak Island Borough consists of
7 two parts. During my oral presentation I will briefly summarize
8 several position papers I have prepared dealing with major issues
9 and concerns we have regarding this draft. The second part includes
10 a written page by page review of the draft which I left with your
11 recorder in Anchorage. Before going any further, I should like
12 to make our position perfectly clear. The Kodiak Island Borough
13 does not oppose the concept of developing hydrocarbon resources on
14 the Outer Continental Shelf. We do, however, oppose Lease Sale
15 No. 46 on the grounds that this Draft Environmental Statement
16 does not provide the high quality environmental information
17 necessary to attain the degree of excellence required by the NEPA
18 decision-making process. And we sincerely hope that the testimony
19 we share with you during the course of these hearings will assist
20 you in reaching that goal. The series of Kodiak Interim Synthesis
21 Reports prepared under the auspices of the Outer Continental Shelf
22 Environmental Assessment Program (OCSEAP) provides some baseline
23 data dealing with a number of physical and biological parameters
24 bearing on the proposed leasing of OCS lands off Kodiak Island for
25 oil and gas development. The results of these studies, while

1 incomplete in many respects, have served to identify features of
2 the biotic and abiotic environment that either demand particular
3 consideration in the event oil and gas development occurs or
4 strongly predicate against such development altogether. Because
5 OCSEAP studies have emphasized research on species of economic or
6 aesthetic value, systematic studies of lower trophic levels, primary
7 productivity, or studies to determine the functional roles played
8 by ecologically more important species have not yet been undertaken.
9 For example, some research now suggests that natural changes toward
10 smaller species of phytoplankton may occur in the marine environ-
11 ment as a result of various forms of pollution, including that from
12 petroleum. There is also mounting evidence that hydrocarbon
13 pollution is toxic to fish eggs and larvae, and may be lethal to,
14 or adversely affect, normal cell division. Studies show that even
15 small amounts of oil can have disastrous consequences during this
16 most fragile link the life cycle of fishes in their natural habitat.
17 Thus it is not unreasonable to postulate that the release of
18 hydrocarbons in oceanic areas could cause a decrease in harvestable
19 fish and shellfish through either direct mortality or indirect
20 interference with natural food webs. We do not believe the draft
21 addresses such consequences in sufficient detail. It is well
22 recognized that marine biota, most notably plankton, are not evenly
23 or randomly distributed. Many populations are spatially clumped
24 or aggregated in patches throughout the ocean's euphotic zone. The
25 patchiness of plankton and other small food organisms is also

1 manifested in the selection of foraging areas and feeding strate-
2 gies of various bird, mammal and fish species. Any predictive
3 model attempting to describe effects of a pollution incident must
4 account for this phenomenon of biological distribution. We see no
5 evidence of this in the Draft Environmental Statement for Lease
6 Sale No. 46. Highly variable catches of commercial fish and shell-
7 fish species are not unusual phenomena and should be expected. The
8 level of exploited fish stocks reflects not only variations due to
9 a multitude of ecological factors but also responds to man-induced
10 mortalities as well. It would be extremely difficult, if not
11 impossible, to discern nondramatic effects of OCS oil and gas
12 activities from other factors influencing the population dynamics
13 of commercially harvested species. Several notable features of
14 seasonal and area-specific activity occur during the life cycles
15 of many of these species that must be considered in regard to
16 future petroleum development. For example, there are six relatively
17 distinct stocks of king crab around Kodiak Island. Crabs of one
18 stock are believed to move to particular inshore areas for spawning,
19 mating and early development. Following the mating season, adults
20 move back offshore to specific deep water areas. This aspect of
21 the life history has important implications, as depletion or sig-
22 nificant reduction of one stock, as might result from OCS
23 activities, is not expected to be compensated for through juvenile
24 recruitment and migration of adults from other stocks. The
25 coastal and shelf environments around Kodiak Island are heavily

1 utilized by several salmon species. On the average, 11.6 million
2 fish return from the ocean to the Kodiak area each year to spawn
3 and complete their life cycle. An estimated 300 million juvenile
4 salmonids enter the Kodiak marine environment annually. Salmonids
5 enroute from offshore waters to their spawning grounds segregate
6 spatially and temporally within the coastal zone before entering
7 specific streams. This return to a home spawning stream occurs
8 at about the same time each year. Biologists believe homing to be
9 a function of genetic makeup and environmental cues such as
10 temperature and olfactory stimuli resulting from highly dilute
11 organic substances in combinations peculiar to each spawning
12 stream. These cues are probably either inherited as part of each
13 fish's genetic makeup and/or imprinted at early life stages prior
14 to the time juvenile salmonids leave their natal stream. Because
15 of their reliance on the environmental cues to locate spawning
16 areas, contamination of the environment or impairment of the
17 habitat may interfere with salmon migration and reproduction.
18 Laboratory experiments by National Marine Fishery Service biologists
19 have shown that juvenile pink salmon will actively avoid dilute
20 concentrations of Prudhoe Bay crude. Such interference, depending
21 on its extent and duration, could cause the loss of a year class
22 or an entire breeding population. Despite research efforts to
23 date, it is still virtually impossible at this time to distinguish
24 among natural causes of fish population or community change. In
25 effect, a wide spectrum of environmental factors continuously molds

1 the composition and abundance of specific oceanic populations and
2 communities. At present our understanding of the interactions among
3 these factors on the Kodiak Shelf is only rudimentary. For this
4 reason, we contend that any reference to various compensatory
5 funds, such as the OCS Lands Act Offshore Oil Pollution Compensation
6 Fund, being available to mitigate resource losses or income losses
7 to Kodiak fishermen is simply a means of lulling us all into a
8 state of ataraxia. How are the costs of replacing or restoring
9 natural resources damaged or destroyed by a spill to be determined?
10 The investigations and baseline data required to evaluate the
11 biological effects of a spill are costly and time consuming to
12 collect. Such information is subject to the influence of a wide
13 variety of environmental factors difficult to measure, to say
14 nothing of an equally wide range of scientific interpretation and
15 evaluation. If the magnitude of OCS related impacts cannot be
16 measured and losses determined, then it follows that fishermen
17 cannot be compensated despite the best of intentions. If an
18 equitable and reasonably precise process for determining compen-
19 sation is not available, and we believe it is not, then we contend
20 that it is unreasonable to place the resources and livelihoods of
21 Kodiak residents in jeopardy by holding this, or any other, lease
22 sale until such time as this compatability..or capability can be
23 satisfactorily demonstrated. Nowhere in this draft do we see the
24 critical issue of coastal and nearshore ecosystems directly
25 addressed. Ecological balance within the entire region and,

1 consequently, the area's biological productivity can be disrupted
2 by adverse impacts on species of functional significance in the
3 ecosystem. These species, however, may not be the ones for which
4 most data have been obtained, that is those of commercial, sport
5 or aesthetic value. The identification of functional species
6 requires intensive study of local ecosystems. The sites of such
7 studies should be selected on the basis of realistic estimates of
8 the nature and amount of potential contamination and habitat dis-
9 turbance likely to accompany OCS development. Such information is
10 absent from this draft. For many of the reasons already cited,
11 the entire east coast of the Kodiak archipelago and its adjacent
12 shelf waters must be considered as unique and highly productive
13 habitat. The most obvious feature is the abundance and richness
14 of the associated biota, a large portion of which sustains the
15 several U.S. and foreign commercial fisheries. Additionally, there
16 are the areas noted for fish and shellfish reproduction and larval
17 aggregation. Other areas represent migratory corridors for fish,
18 shellfish, birds and mammals. Furthermore, certain regions pose
19 serious geological hazards or are conducive to the longterm re-
20 tention of contaminants. In view of the obvious overlap in
21 population distributions along the Kodiak OCS and the high product-
22 ivity of the entire region, it is not advisable to delineate any
23 specific region as being more significant than any other in terms
24 of its susceptibility to impact or as having a higher recovery
25 potential from contamination or serious damage. Thus, there exists

1 no biological basis for dividing the sale area into the three
2 segments portrayed in this draft as alternatives four, five and
3 six. In our estimation, a more meaningful approach would have
4 been to apply some ranking to each tract on the basis of biological
5 value and susceptibility to adverse impacts from OCS development.
6 Alternative lease proposals involving various tract combinations
7 could then more realistically equate resource protection needs
8 with the probability of discovering gas or oil. For example,
9 tracts might have been deleted on the basis of high values as
10 reproduction and rearing habitat or highly valued fishing areas
11 and a corresponding low value with regard to the probable oppor-
12 tunity loss for hydrocarbon discovery. Such a ranking might have
13 been arrived at by using a simple overlay system or other similar
14 rating technique. Section 1502.25 of the CEQ guidelines provides
15 that, "Agencies shall insure the professional integrity, including
16 scientific integrity, of the discussions and analyses in environ-
17 mental impact statements. They shall identify any methodologies
18 used and and shall make explicit reference by footnote to the
19 scientific and other sources relied upon for the conclusions in
20 the statement." The draft is replete with statements that are
21 very significant but that are presented as facts without any
22 citation of authority that can be challenged. There are no foot-
23 notes identifying information sources and we cannot effectively
24 evaluate such statements without knowing their source or how they
25 were derived. Unsubstantiated facts appear on pages 32, 37, 40,

1 41, 43, 44, 121, 122, 123 and 162, among others. In addition, the
2 relative sensitivity of the alternatives to environmental impacts
3 as presented in the matrix following page 43 is simplistically
4 displayed with no supporting quantitative information, analysis,
5 or interpretation. We contend this Draft Environmental Statement
6 is inadequate because it fails to identify the methodologies used
7 to arrive at the above-cited conclusions and fails to make explicit
8 references by footnote to the scientific and other sources relied
9 upon, as required by section 1502.24. We submit that the scientific
10 integrity of this Draft Environmental Statement has not been
11 insured as required by NEPA regulations. We are disturbed by
12 discussions dealing with the inevitable disturbance and mortalities
13 marine and coastal birds will be subjected to as a result of OCS
14 activities. I refer you to page 118 and elsewhere. It appears
15 from this presentation that BLM has blithely accepted the tradeoff
16 of bird mortality for OCS development. We do not view this issue
17 as so cut and dried and believe strict controls should be implemented
18 to either prevent or reduce such disturbances and subsequent
19 mortalities to an absolute minimum. Furthermore, we believe this
20 Draft Environmental Statement should have included at least a
21 general presentation of proposed mitigation measures that might be
22 taken to reduce bird and other animal mortalities. The fact that
23 oil pollution in their southern ranges has contributed to the
24 "rapid population decline", on page 180, of the same species of
25 birds found off Kodiak would seem to argue for leaving the northern

1 habitat of these species undisturbed. To inadvertently kill a
2 marine mammal or bird as the result of an accident is one thing,
3 but to callously plan the extermination of living creatures as
4 part of offshore oil and gas development seems not only illegal
5 but also somewhat immoral as well. Of all the lease sales pro-
6 posed for Alaska, the potential for conflict between OCS develop-
7 ment and fishing activities is greatest in the Kodiak area.
8 Fisheries here are carried on the year round, with many occurring
9 simultaneously. Interference could result from the presence of
10 drilling rigs or fixed platforms located in prime trawling areas.
11 If undersea structures are not completely buried or carefully
12 protected, both domestic and foreign trawling operations could be
13 severely impacted. Deep water ports, their fairways and zones of
14 exclusion could usurp immensely valuable fishing grounds, such as
15 those in the vicinity of Chiniak Trough. Gear losses due to
16 increased vessel traffic could be substantial, especially to the
17 pot and longline fisheries. Competition between the fishing and
18 OCS industries may arise for Kodiak's dock and warehouse facilities
19 since these facilities are already operating at full capacity.
20 Certain fisheries might also have an adverse impact on OCS
21 activity itself. For example, a major spill might result should
22 a foreign trawler encounter and rupture an inadequately buried
23 pipeline. The draft statement for Lease Sale No. 46 is notable
24 for its almost total disregard of foreign fishing activities
25 taking place either within or closely adjacent to tracts proposed

1 for leasing during this sale. The absence of any discussion of
2 potential impacts to the foreign fishery and, in turn, possible
3 impacts this fishery might have upon OCS development is doubly
4 strange since the 1977 draft EIS for this same sale covered foreign
5 fisheries in some detail. Since release of the 1977 draft, two
6 additional nations have begun fishing operations in this area,
7 South Korea and Mexico, bringing the total now to five. Whether
8 or not this number will grow or decrease through the life of the
9 proposed sale is problematical. A summary of monthly surveillance
10 reports prepared by the National Marine Fisheries Service for the
11 years 1978 and 1979 shows that considerable foreign fishing
12 activity takes place throughout the year off the east coast of
13 Kodiak Island. In 1978 foreign fleets operated for a total of
14 2,043 vessel days while during the first eleven months of 1979 a
15 total of 1,602 vessel days was logged by the National Marine
16 Fisheries Service. The majority of the foreign fleets conduct
17 trawl operations for pollock, pacific ocean perch, pacific cod,
18 atka mackerel, flounders and other groundfish primarily along the
19 100-fathom curve adjacent to Albatross and Portlock banks. Soviet
20 trawlers are known to fish between the 50- and 100-fathom curves
21 on Albatross bank during the winter months. Both Japan and South
22 Korea conduct longline fisheries for sablefish and pacific cod
23 seaward of the 100-fathom curve to depths of from 275 to 450
24 fathoms. Recently a few joint-venture operations involving foreign
25 vessels, primarily South Korean, and U.S. trawlers have been

1 conducted for bottomfish in Kodiak waters. We see the potential
2 for conflicts of rather a serious nature between OCS development
3 and the foreign fisheries as three-fold. First, there always
4 exists the potential for impacting the fishery resources through
5 the accidental introduction of pollutants into the marine environ-
6 ment. Second, there is a potential for interference with the
7 foreign fleet's operation as a result of mere physical conflict,
8 that is the placement of platforms and pipelines in long-established
9 fishing grounds. Finally, there is the very real danger of
10 collisions involving foreign fishing vessels and OCS-related
11 traffic or with undersea structural damage to OCS subsurface
12 appurtenances caused by foreign fishing gear. When constructing
13 undersea pipelines, the bury barge may follow the lay barge by
14 as much as an entire year. Pipelines that lie exposed on the
15 ocean bottom for a year or that are only trenched instead of buried
16 may be as much of a hazard to fishermen as surface-laid pipeline.
17 Furthermore, offshore pipeline routes are, in effect, permanent
18 installations and, aside from shallow nearshore waters where
19 abandoned pipelines may be removed from the sea bed, they will
20 remain on the ocean floor once the field is exhausted. Subsequent
21 scouring and shifting of the bottom may expose considerable lengths
22 of formerly buried pipeline to fishing gear. We believe the
23 foreign fisheries pose a potential threat to the integrity and
24 safety of OCS oil and gas development on the Continental Shelf
25 east of Kodiak Island. We submit that there exists a great danger

1 of subsurface pipelines or other structures being damaged by
2 foreign trawl gear if OCS development occurs in areas traditionally
3 fished by foreign vessels. Protective measures and alternatives
4 that might reduce these and other potential conflicts between OCS
5 development and foreign fishing activities are simply not addressed
6 in this draft statement. All reasonable alternatives, including
7 denial of access to traditional fishing grounds, should be
8 included. While BLM acknowledges that Kodiak's developing bottom-
9 fish industry has the "capacity to make a major contribution to the
10 area's economy", page 68, the draft goes on to state on page 83
11 that, "the groundfish fishery is expected to be relatively minor
12 with respect to the number of boats, landings, or fishermen."
13 This conclusion is in direct contradiction to that drawn in a
14 recent report by the Alaska Department of Community and Regional
15 Affairs and, in our estimation, only serves to mislead the decision
16 maker as to the importance of this segment of the fishing industry.
17 That bottomfish processing will occur in Kodiak on a significant
18 scale appears virtually inevitable. Every major Alaskan fishery
19 since the turn of the century has been strongly represented in
20 Kodiak and in each case the Kodiak fleet has traditionally set the
21 statewide pace. Given the relative abundance of northern gulf
22 bottomfish stocks, as well as the general enthusiasm of Kodiak
23 fishermen and processors to capitalize on this new fishery,
24 development of a strong local bottomfish industry seems highly
25 likely. A number of reasons exist for such optimism. Foremost,

1 of course, is the resource abundance. The total Gulf of Alaska
2 optimum yield of marketable bottomfish species is estimated by
3 Earl Combs, Incorporated at more than six billion pounds annually.
4 These resources are easily accessible from Kodiak's strategic
5 location. The capacity for exploiting the resource is also present
6 in the form of Kodiak's sizeable commercial fishing fleet and well-
7 established processing sector, both of which have already made
8 Kodiak one of the top fishing ports in the United States. Beyond
9 possessing a large commercial fishing industry, Kodiak also enjoys
10 several other key advantages which auger well for successful
11 development of a bottomfish industry. Most importantly, Kodiak's
12 shipping industry is currently the second largest in the state and
13 includes established export linkages directly with Japan. Kodiak's
14 overall economy is also very strong, fast growing and highly
15 diversified, offering to any new bottomfish activity the support
16 of a substantial and rapidly expanding service sector. Given the
17 importance of Kodiak's established and developing fisheries, we
18 are deeply concerned over the numerous references throughout this
19 draft to the adverse impacts OCS-related activities may have on
20 already crowded harbor facilities as well as conflicts with fishing
21 activities at sea. I would draw your attention to pages 31, 33,
22 37, 41, 114, 115, 116, 117, 171 and 172. We also recognize the
23 real danger that conflicts between OCS development and the fishing
24 industry cited on page 171 and 172 could result in the displacement
25 of a portion of Kodiak's fishing fleet and processing capability

1 to other ports. We understand that such a displacement has already
2 occurred to some extent in the Valdez area. The Kodiak fishing
3 fleet represents the lifeline to Kodiak's long-term economic
4 security. We adopt the position that it is BLM and the oil companies
5 that will have to accommodate our fishing industry, not the reverse.
6 We can assure you that any decisions the Kodiak Island Borough
7 makes regarding such conflicts will favor our fishing industry
8 in every instance. In closing, we can only conclude that this
9 draft has obviously been prepared in the fact of a rigorous develop-
10 ment schedule, pre-determined by the Federal Government. We cannot
11 view this document in any regard other than simply a justification
12 for development decisions already made. The tone of the entire
13 draft is directed toward the needs of an agency acting as the
14 proponent for oil and gas development and not, as should be the
15 case, as the steward of those rich and varied environmental
16 resources more properly managed for the benefit of the commonweal.
17 Thank you.

18 CHAIRPERSON: Thank you Mr. Hoopes. Our staff has...is
19 already beginning to review your very detailed testimony that was
20 given in Anchorage. Are there any questions of Mr. Hoopes before
21 we adjourn for lunch? Ray Karam.

22 MR. EDDY: Just one clarification. In discussing oil
23 pollution damages compensation, you indicated that natural resources
24 damages might not be compensated. Now, is that because of what you
25 perceive as scientific problems in the measurement of what damages

1 might be over a period of time or is that because of what you
2 feel are inadequacies in the law governing damages compensation?

3 MR. HOOPES: I believe that the law is very well intended.
4 I have read it and I know that from the President right on down
5 to the individual citizen claims can be made against that compen-
6 sation fund. And I applaud that. I believe that the extent of
7 damages cannot be measured with our present knowledge, therefore,
8 no equitable distribution could be made, even though the intent
9 is for such.

10 MR. EDDY: What types of damages do you have in mind? For
11 example, do you feel that a fisherman who's losses are...who has
12 measureable losses over a certain period of time...uh, an area
13 that he traditionally fished he finds he can no longer fish; do
14 you feel that individual is going to be unable to support a claim
15 for scientific reasons? I guess I'm a little confused as to what
16 specifically you see as the measurement problems inherent in the
17 law.

18 MR. HOOPES: Okay. If an accident were to occur, how would
19 we determine which species were affected, and we're considering
20 in this case not only the adult fishes or shellfishes but also
21 larval forms, how would we determine which species were affected
22 and the magnitude of that impact so that we would know in what
23 respect and what amount a specific stock or stocks was reduced to
24 remove the opportunity from that fisherman for deriving his
25 income from that stock or those stocks, you see.

1 MR. EDDY: You don't feel that historical comparisons would
2 be sufficient?

3 MR. HOOPES: Well the problem there is that there are such
4 natural fluctuations in the stocks themselves due to other
5 environmental factors and also those due to fluctuations from
6 exploitation in the past that I think it would be very difficult
7 to come up with an acceptable baseline figure from which to go on
8 then to estimate the losses due to an oil pollution incident.

9 MR. EDDY: Given that Congress clearly intended that those
10 losses, that losses be compensated, does that...does that go more
11 to the fact that compensation might not be had at all or that it
12 might not be adequate?

13 MR. HOOPES: I think ultimately, since I believe that
14 Congress's intent was very clear and very sincere, that probably
15 some sort of arbitrary system could be arrived at in the future.
16 I would anticipate that that may be the final result of that, yes.

17 CHAIRPERSON: Ray Karam.

18 MR. KARAM: If I could follow up on that same general area
19 of discussion. It went into quite some detail which I will be the
20 first to admit I couldn't follow because I'm not that familiar
21 with the terminology of the biologist, as to the biological
22 characteristics and the need for studies and the lack of studies
23 and the lack of data and information, to adequately evaluate the
24 effects of stress on the ecosystems in this area. And my...I
25 wonder, and I wonder if you could help me with this, if you have

1 or you know where we can find an expression of the time and the
2 expense that would be required in order to develop the proper data
3 base and the derivative information in order to do such things as
4 you and Mr. Eddy were discussing here a minute ago. Evaluate the
5 losses, separate cyclical phenomenon which is natural and which
6 might be referable to oil damage as examples.

7 MR. HOOPES: I understand your question and I understand your
8 concern and I honestly couldn't give you an unequivocal answer on
9 that at all because all I can say is it would indeed take time,
10 probably much more time than we need to get this lease sale worked
11 out and your future scheduling worked out. In all honesty, it
12 is a very notty problem. I just merely wish to point out that it
13 is a difficult problem.

14 MR. KARAM: Well, aside...if I may ask you to forget the
15 current schedule, the current requirement. We're talking about a
16 study that would extend over several human lifetimes, are we
17 talking about studies that would have to extend over several years,
18 several seasons? I hear this quite often, we never have enough
19 information, and I'm always wondering, you know, how can we project
20 when we would have enough information; or is that even a relevant
21 or reasonable question?

22 MR. HOOPES: Well, I don't know very often that we do or do
23 not have enough information. I would say that, from the inception
24 of the OCSEAP program, were some of the studies perhaps directed
25 towards answering specific questions that we knew were going to

1 arise in the future, that we might have better utilized some of
2 the resources that we have already expended in this area. I
3 wouldn't give you...hazard a guess an estimate of time, but yes,
4 we're talking about years but less than lifetimes.

5 MR. KARAM: Thank you.

6 CHAIRPERSON: Jim Curlin.

7 MR. CURLIN: A couple of comments now. Dave, you brought up
8 some very very important factors, particularly with regard to
9 biology and the dialogue that you and Ray just completed I think
10 is an interesting leadin. I was looking over the list of witnesses
11 and I guess I'm both astounded and concerned that one agency which
12 could have helped us significantly in perhaps following up on some
13 of the issues that you brought out on the uncertainties of impact
14 from oil and gas on the marine environments, specifically the
15 fisheries, is not represented on the panel, and yet the organiza-
16 tion has an institution right here in Kodiak and that's the
17 National Marine Fisheries Service. Uh, I do wish that we had had
18 the opportunity to have someone from NMFS here to discuss and
19 follow up on these very important points. I do have knowledge of
20 some activities that are going on, as a matter of fact, in the
21 area of damage assessment. And I think...I think that eventually
22 we may be able to grasp, at least, the fundamental relationships
23 your talking about. But, you're absolutely correct, it's a long-term
24 process and one that is also regional in nature and not transferrable
25 from say the Atlantic over here to your situation. Uh, one effort

1 under way at the present time is an interagency effort with NOAA
2 as the lead and that is centering on the Gulf situation now as a
3 result of Kampechee. But from that will be developed, hopefully,
4 some protocol, some approaches and techniques and some methodology, and
5 in building-block fashion we hope to arrive at that in some measure
6 of time. The second thing is, and I think if we, you know,
7 mention several times...the last witness, I think, Tom Peterson
8 brought it up, and perhaps Hank Pennington and yourself now, about
9 the impact of the foreign fleet offshore and the implications to
10 oil and gas development and the interferences therefrom. If
11 we're all lucky, if we're all fortunate and this groundfish
12 industry in Kodiak develops as it can, we can solve that problem
13 by essentially getting those stocks in the hands of American
14 fishermen and out of the hands of foreign fleets. That's a
15 political statement. (laughter)

16 CHAIRPERSON: It is recognized as such by the Chairman. Mr.
17 Hoopes, that was very interesting, but what we're really about,
18 of course, is reviewing the Draft Environmental Impact Statement,
19 as you have done in great detail. And, do you have any other
20 suggestions, other than to say that the OCSEAP program could have
21 been better directed; any other specific suggestions that you
22 might make with respect to studies which are funded by the Bureau
23 of Land Management, by the way as the OCSEAP program is. Do you
24 have any specific suggestions that you might make as to the
25 direction of those studies in Alaska or off of Alaska, I should say?

1 MR. HOOPES: Not off the top of my head, but I would certainly
2 be glad to take an opportunity to discuss that in some detail at
3 your convenience at some time.

4 CHAIRPERSON: We'd appreciate that.

5 MR. HOOPES: Right.

6 CHAIRPERSON: Any other comments of Mr. Hoopes? Gerry Reid?

7 MR. REID: Yeah, Dave. Relative to...just a comment on
8 your statements about the...perhaps an analysis of the tracts on a
9 tract-by-tract basis from a biological standpoint. Uh, early on
10 in the, as I'm sure you are aware, at the time that an area is
11 proposed for potential lease sale it includes a much greater number
12 of tracts than we're discussing here in the Environmental Impact
13 Statement. At that time, the Fish and Wildlife service officially
14 makes comments to BLM relative to tracts which they feel are not
15 suitable, using that term in a broad sense, for leasing. And,
16 many of the tracts that have what we consider high biological value
17 are eliminated from the process at that time. The tracts that
18 remain, that are analyzed under the EIS process, sort of fall under
19 the same category of things that you were talking about relative
20 to plankton patchiness. We get down to the point where we cannot
21 say from a biological standpoint that this particular tract has
22 any more value or less value than this particular tract. So then,
23 we begin to approach it in a block manner, as you suggested. Now,
24 USGS is required to analyze each tract from a geological stand-
25 point on a tract-by-tract basis, but, as you know, as a biologist

1 we can't do that biologically.

2 CHAIRPERSON: Thank you Gerry. Any other comments of Dave?
3 (no response) Thank you very much. We are running a bit late and
4 we'll recess for lunch and reconvene at 1:30 P.M. in these same
5 chambers. Thank you very much.

6 (OFF THE RECORD)

7 (Hearing reconvened at 1:30 P.M. in Borough Assembly Room)

8 CHAIRPERSON: We'll come back to order. The first witness
9 scheduled for this afternoon is Mayor Betty Wallin from the Kodiak
10 Island Borough. Welcome.

11 MS. WALLIN: First of all I'd like to apologize to you. I
12 mistakenly wrote the testimony starting at 7:00 tonight and I'm
13 living presently at Middle Bay and I was listening to it on the
14 radio, you were coming in very good.

15 CHAIRPERSON: Thank you.

16 MS. WALLIN: And then I heard you say that you had graciously
17 changed my time to 1:30, so, it's twenty-four miles and I just
18 made it here.

19 CHAIRPERSON: You did very well.

20 MS. WALLIN: I have given you copies of the oral testimony.
21 I have added a few pages, but they have to do with the Alaska
22 Coastal Policy Council. I believe you're aware they have sent a
23 letter down. So, I'll start with the oral testimony, if you don't
24 mind. And I'd rather read it rather than leave anything out.
25 Distinguished panel members, ladies and gentlemen. Good Afternoon.

1 My name is Betty Wallin. I am the elected Mayor of the Kodiak
2 Island Borough and I am appearing here today to present testimony
3 on behalf of the Borough Assembly and the people of Kodiak Island
4 as the official representative of this governing body. At this
5 point in time, the Kodiak Island Borough has chosen to oppose lease
6 sale No. 46. We are not now, nor have we ever been, opposed to the
7 concept of OCS development. In fact, we have spent a considerable
8 amount of time and money over the past few years conducting baseline
9 studies related to OCS development and its potential impacts upon
10 the Borough and its inhabitants in anticipation of eventual lease
11 sales in this region of the Gulf of Alaska. We are, however,
12 opposed to Lease Sale No. 46 as it is now portrayed in the DEIS
13 prepared by BLM. There are many specific reasons for our adopting
14 this position and others testifying today will address them in more
15 detail. I will, therefore, confine my testimony to concerns of a
16 more general nature. Much has been made of the two-year time
17 interval between release of the first draft EIS for Lease Sale No.
18 46 and the December 7, 1979 release date for the current draft.
19 The implication has been that Kodiak has had two years to prepare
20 itself for addressing the issues and concerns related to OCS
21 development in the Western Gulf of Alaska and its potential impacts
22 to the residents of Kodiak and the natural environment surrounding
23 our island. We submit that such has not been the case at all.
24 Whereas the earlier draft concentrated on impacts associated with
25 the development of crude oil reserves, we now find, as of December 7,

1 1979, that oil has been relegated to an inconsequential role and
2 we are now told that natural gas and gas condensates would be
3 produced exclusively. Development, we are informed, will also
4 entail construction of at least one onshore LNG plant. Such a
5 facility may, or may not, end up being placed on the Kodiak Island
6 road system. We are now also made aware of the fact, though not
7 directly, that Lease Sale No. 46 is inexorably tied to Lease Sale
8 No. 60 proposed for the upper Shelikof Strait/Lower Cook Inlet area.
9 Although these two sales are not addressed concurrently, as we
10 believe they should have been, numerous references are made through-
11 out this DEIS to possible joint facility use, especially the LNG
12 plant, and overlapping impacts. Again, then, we become aware that
13 the circumstances surrounding this DEIS are not those presented in
14 1977 nor could they be foreseen until the release of the current
15 draft. Thus, the argument that, in reality, Kodiak has had two
16 years to prepare for this hearing is bogus and we have been
17 confronted with the task of having to make rational and intelligent
18 decisions on the basis of both conflicting and incomplete infor-
19 mation over an extremely foreshortened time frame. For this
20 reason, we do wish to express our thanks to BLM for giving us the
21 thirty-day extension to allow us to preapre for this hearing.
22 There are many references throughout this DEIS to the possibility
23 of this or that event occurring and this or that impact happening.
24 We are provided with the Monte Carlo program for predictive analysis
25 based on computer simulation. Computerized data analysis and

1 simulation models are, indeed, extremely useful tools, but the
2 programs are written by human beings and the data are controlled
3 by human beings. The computer can give you no better quality
4 output than the input given it. Some phenomena lead themselves
5 to modeling more readily than others, but it is a well-recognized
6 fact that modeling entire ecosystems and their reaction to an event
7 such as an oil spill, is well-nigh impossible given our current
8 level of knowledge. This lack of knowledge, of course, accounts
9 for the constraint introduced into BLM's model whereby the effects
10 of hydrocarbon spills on targets are only accounted for when the
11 target is acutally present, as with seabirds, page 97. In such
12 respects the model is entirely too symplistic to truly represent
13 the myriad of interactions taking place in the real world. The
14 greater danger inherent with computer modeling is that the very
15 technology itself tends to lull us into a sense of complacency and
16 security. And when the results of our work roll out in print,
17 how can we doubt that the computer hath wrought...what the computer
18 hath wrought. Well, it's quite easy for people in Kodiak to doubt
19 it. We didn't have to have any computer to tell us on March 28,
20 1964 what an earthquake that registers 8.4 on the Richter scale
21 will do to a town or that one hundred and thirty lives were lost
22 and three hunred and eleven million dollars worth of damage was
23 done throughout the state. The secondary hazards are perhaps more
24 germane to this discussion. Associated with the Good Friday
25 earthquake were five hundred and eighty seven aftershocks, land

1 subsidences to eight feet, uplifts to thirty-eight feet, submarine
2 slides, ground cracks and a disastrous Tsunami that was responsible
3 for ninety percent of the deaths. Now geologists tell us that
4 subsea lifting may have been as great as fifty feet. As residents
5 of Kodiak, we already know a lot about probabilities and the
6 vagaries of natures. We're willing to take our ups and downs,
7 so to speak, with nature; it's the people who build pipelines that
8 leak even without earthquakes that scare us. Existing lifestyles,
9 particularly those built on subsistence, will be difficult to
10 preserve in the face of OCS oil and gas development. Subsistence
11 is a way of life for many residents of Kodiak Island. They rely
12 directly on the land and its resources through hunting, gathering
13 and fishing. A growing reliance on the cash economy and increased
14 recreational pressure on fish and wildlife resources will further
15 erode present lifestyles. Local changes in social and economic
16 composition and patterns produce individual and community stress.
17 Onshore industrial development related to OCS activities will
18 place new and complex demands on local government, which may not
19 have the management capabilities to deal with them effectively.
20 Effective local management of OCS-induced growth is expensive.
21 Local governments often rely on federal grants for planning and
22 impact funds. Most grants require a local match ranging from one-
23 fifth to one-third of total project costs. When a great deal of
24 planning is required over a short time span, it may be difficult
25 for communities such as Kodiak to finance their share of the cost.

1 Alaska's Coastal Management Act of 1977 requires local communities
2 to develop local coastal management programs in all OCS-affected
3 areas. These programs, guided and approved by the Alaska Coastal
4 Policy Council, permit local residents to determine appropriate
5 land water uses in their coastal area and develop policies and
6 regulations that govern those uses. The Kodiak Island Borough
7 has only recently begun to formalize the development of a local
8 CZM program although several earlier CZM-related studies conducted
9 by the Borough have already been completed. We believe the advent
10 of OCS-related activities prior to completion and adoption of our
11 Coastal Zone Management Plan will only serve to impede and weaken
12 its completion while, at the same time, leaving Kodiak's resources
13 and people vulnerable to adverse impacts from onshore OCS develop-
14 ments. This present lack of any significant local control over
15 coastal zone development underlies our concern regarding not only
16 the protection of our valuable fishery resources, but of other
17 wildlife species as well. This DEIS contains numerous references
18 to adverse impacts upon wildlife that will result from OCS
19 activities. We recognize the vital role birds and marine mammals
20 play in the ecological relationships of the marine and coastal
21 environments surrounding Kodiak Island. We view any untoward
22 disturbance of breeding or nesting colonies and rookeries as an
23 unacceptable impact on the biota of the Kodiak Archipelago. For
24 this reason we do not find it sufficiently reassuring to have this
25 DEIS merely state that some protection could be provided, page 31.

1 To fully evaluate the impacts of disturbance to bird colonies and
2 marine mammals, we believe relevant existing studies should be
3 referred to, additional studies made if necessary, and a firm
4 commitment given to the protection of these resources. We cannot
5 accept as a foregone conclusion that concentrations of birds and
6 other creatures must be disrupted merely to conduct the normal
7 day-to-day activities association with lease exploration, develop-
8 ment and production of gas and oil. We believe the summary of
9 probable impacts found on page 31 to be deficient in several
10 respects with regard to possible impacts upon those resources and
11 activities addressed therein. Not only do spills from offshore
12 platforms, pipelines and onshore facilities offer chances for major
13 or chronic low-level additions of toxic hydrocarbons to the
14 environment, but completely disregarded is the additional potential
15 for major spills to occur as a result of tanker accidents, including
16 collisions with vessels of the foreign fishing fleet which, for the
17 most part, are large enough to cause substantial damage if struck.
18 The probability of such an accident occurring is heightened by the
19 high incidence of foul weather in the area, the reduced maneuver-
20 ability of fishing vessels with trawl gear out and by difficulties
21 involved with communicating between vessels of different nationalities.
22 Nowhere in this DEIS do we see these problems satisfactorily
23 addressed. We share a deep concern with the fishermen of Kodiak
24 over what the DEIS states as the inevitable loss and damage to
25 fishing gear and operational disruption resulting from OCS activities.

1 It may not...it has not been clearly demonstrated to us why it
2 is the commercial fishery, an established and historic use of a
3 renewable food resource by local residents, that must give way
4 and suffer as a result of the invasion of an industry solely
5 oreinted toward the short-term exploitation of a non-renewable
6 resource, largely by the people who will never call Kodiak Island
7 their home. In closing, let me reemphasize our position. We are
8 not opposed to the orderly and timely development of Alaska's
9 natural resources for the benefit of all americans, provided such
10 development takes place without undue environmental damage or harm
11 to other resources and those who use them. In our opinion, however,
12 this DEIS fails to insure the degree of care we require before we
13 can accept it as the basic decision-forcing document governing
14 OCS development off the shores of Kodiak. The addition to my
15 testimony is that I am also appointed as an OCS...or as the Alaska
16 Coastal Policy Council member, under the Governor for the State of
17 Alaska. And when I was in Juneau a couple of weeks ago, I spoke to
18 the Governor about Kodiak's concern over the sale of 46, and how
19 the impact of 46 would impact Kodiak Island. So, I had a Mayor's
20 resolution drawn up which supports the no-sale position on Lease
21 Sale 46. I'd like to read it and tell you results afterwards.
22 Whereas the Bureau of Land Management submitted the DEIS for 46 in
23 an untimely manner in December of 69...or '79 and; whereas BLM
24 allowed inadequate time to prepare testimony and later a month
25 extra preparation time and; whereas the DEIS for 46 is deficient in

1 in regards to bottomfish, economic ramifications, social impact,
2 accurate discription of present fisheries, conflicting statements
3 involving habitats of endangered species, and; whereas the documents
4 being hastily prepared lacks documented base factual statements in
5 many areas that lead to important conclusions and; whereas the
6 future co-existence of Kodiak fishery and oil are not fully
7 defined and; whereas the Kodiak Island Borough, the City of Kodiak
8 and the second class cities of Old Harbor, Akhiok, Larsen Bay,
9 Ouzinkie, Port Lions, and Karluk with the agency KANA have given
10 support to the no-sale alternative and; whereas the Kodiak Island
11 Borough Planning Commission, Outer Continental Shelf Committee KIB
12 and the KIB assembly have adopted the no-sale alternative position
13 as it pertains to this 46 DEIS. Now therefore, be it resolved that
14 the Kodiak Island Borough respectfully requests that the Alaska
15 Coastal Policy Council support the no-sale position adopted by
16 Kodiak Island Borough on the DEIS for Lease Sale No. 46. The...
17 I approached the Governor with this resolution. He was sympathetic,
18 he referred me to the Coastal Policy Council. The first he asked
19 is what is the position the Alaska Coastal Policy takes? Being a
20 member on the Council, I hadn't approached them on it yet. I was
21 not sure if the Coastal Policy Council could interfere with the
22 lease schedule. I believe our position was to adopt policy
23 guidelines and standards. The...so I did approach them the next
24 day and they could not act on the resolution because they...it was
25 just given to them. They did not have all the information available

1 at the time. However, they very graciously made a motion and wrote
2 this letter to the Honorable Cecil Andrus, Secretary of the Interior.
3 "Dear Mr. Secretary." And this is dated February 22, 1980, the
4 last day of our meeting. "The Alaska Coastal Policy Council, at a
5 meeting held on February 22, 1980, in Juneau, Alaska, was presented
6 with the attached resolution. This resolution was duly passed by
7 the Kodiak Island Borough Planning Commission and Assembly. The
8 Policy Council was not prepared to evaluate the Draft Environmental
9 Impact Statement, DEIS, at this present time, but by motion, directed
10 that this letter bring to your personal attention the concerns of
11 the Kodiak Island Borough. The Policy Council wishes to express
12 in the strongest possible terms their objection to any DEIS which
13 does not reflect the testimony and concerns of local municipal
14 government officials as well as other citizens. It is the feeling
15 of the Kodiak Island Borough that their written and verbal testi-
16 mony has been totally ignored by the drafters of the DEIS. Mr.
17 Secretary, if there is ever going to be the necessary compact
18 among the various levels of government as they deal with Outer
19 Continental Shelf activities, the Bureau of Land Management must
20 be sensitive to the needs and desires of local communities. We
21 would appreciate an early reply to this letter and attached
22 resolution, so that the council, at its March 18, 1980 meeting,
23 can consider your views on this matter." It's signed by both
24 co-chairmen of the Alaska Coastal Policy Council. We have seven
25 commissioners from the State of Alaska that sit on this council,

1 and nine local representatives who are elected officials. Uh...so
2 we don't know the results of that yet, but I'd like to add that
3 in there. I believe Lydia Selkregg has given you a copy of this
4 or discussed it with you, Mrs. Wunnicke?

5 CHAIRPERSON: Yes, I've seen a copy and I'm sure it's been
6 transmitted to Secretary Andrus. I might say, in that connection,
7 that, of course, these hearings, with respect to the Draft
8 Environmental Impact Statement, is the opportunity for the officials
9 of Kodiak to enter testimony. I assume that you're referring, in
10 that letter, to testimony given on the Five Year Schedule by
11 officials of the Borough and the City of Kodiak.

12 MS. WALLIN: Right. But it's our concern. Maybe it's...
13 it's my belief, but I think it's also the State of Alaska's belief
14 that by their action in forming the Coastal Policy Council with
15 more local official representatives on there, is to assure that
16 the local community's expressed concerns are in the DEIS, and are
17 heard by the people that make the decisions. And I was--

18 CHAIRPERSON: That's our intention. That's why we're here.

19 MS. WALLIN: Okay. I'm...I'm very happy to see you--

20 CHAIRPERSON: And I might say that representatives from the
21 Alaska OCS office of the Bureau of Land Management has made some-
22 thing like eighty-five to a hundred trips to Kodiak over the last
23 few years to try to talk with the people here and understand their
24 concerns

25 MS. WALLIN: Well, we as a local community, and we're not as

1 big as some of the other communities, are very concerned that this
2 continues.

3 CHAIRPERSON: Any other comments to Mayor Wallin? Ray Karam?

4 MR. KARAM: Madame Mayor, if I may. Uh, we've heard from a
5 number of witnesses in Anchorage and again this morning that the
6 position of some of the local entities is that the concept of oil
7 and gas development is not opposed in the Kodiak area, but that the
8 Lease Sale 46 is opposed, and therefore that the no-sale alternative
9 in the Draft Environmental Statement is the one that you support.
10 And I believe that's what you were saying also.

11 MS. WALLIN: Yes, the purpose is that if the...if we asked
12 for...we originally thought of asking for a delay. But if we asked
13 for a delay rather than a no sale, there's a good possibility that
14 the DEIS will come back in the same form it's in now.

15 MR. KARAM: Well, what I'd like to ask of you, if you would
16 please, is to try and explain to me because I just don't quite
17 understand why, if on the one hand there's no opposition to oil
18 and gas development, and this has been said a number of times in a
19 number of ways, if it's done properly and if it's done at the
20 proper time, etcetera, etcetera, uh, that alternative No. 3 was
21 not selected as a preferred alternative. Uh, say the Borough or
22 the city or others, uh, which is to delay the sale, and let me
23 read to you from the EIS here. "This alternative would delay the
24 implimentation of the proposal into an unknown future time frame."
25 And it seems to me that that should be your preferred alternative,

1 if, in fact, you have no basic objection to oil and gas development?

2 MS. WALLIN: The least amount of time we're asking for is
3 five years. Can you guarantee us that that third alternative will
4 wait five years?

5 MR. KARAM: Well. Let's put this into perspective. I can't
6 guarantee you anything nor would I attempt to pre-empt--

7 MS. WALLIN: That's why we're asking for no sale.

8 MR. KARAM: Nor...nor would I attempt to pre-empt the
9 Secretary's decisions. Uh...

10 MS. WALLIN: Well that's why we're asking for the no sale.

11 MR. KARAM: Okay. Thank you.

12 MS. WALLIN: Because, we should be ready within five years,
13 we feel. Uh, there was testimony given this morning also, I
14 believe, on some study. Someone asked if any of the studies were
15 available and Mr. Hoopes wasn't familiar. Also, that the State
16 of Alaska, all of their agencies, Fish and Game, Fish and Wildlife
17 and so on, they have shelves and shelves of studies for local
18 communities, you know, if they request. And the Coastal Policy
19 Council, through their CZM office, is trying to draw all the agencies
20 together so that local communities can, everybody, can go to one
21 agency or, you know...through the central CZM, and be able to pull
22 what they want out, rather than having it spread. 'Cause some of
23 them are so...so far out that people don't think about them.

24 CHAIRPERSON: Jim? Jim Curlin.

25 MR. CURLIN: Yes, Mayor Wallin, you made reference to the

1 Coastal Zone Management Act, the state of the development of the
2 Coastal Zone Management Program for your Borough. I guess I need
3 a little bit of clarification. The Coastal Zone Management Act
4 itself is based upon the capability of the local and regional
5 governments to exercise control over their land-use patterns through
6 zoning or other regulatory processes that you already inherently
7 have, because, the Federal Government can't give you those. Those
8 reside in the state and they're apportioned some way, either by
9 authorizing legislation or by constitution, whichever the case and
10 I'm not certain what it is in Alaska. But, what the those inherent...
11 with those inherent powers that you have, the Coastal Zone Manage-
12 ment program only offers you an additional dimension of essentially
13 a grant program to give you resources to apply your own...your
14 own talents bringing this program about. Now, I don't understand
15 exactly where your concern is about the development of that program?
16 It seems as though you have the powers to regulate any kind of
17 onshore activity already inherent in your Borough structure. Is
18 that correct? I mean you have zoning authority?

19 MS. WALLIN: When you're asking me as a Coastal Policy Member,
20 I'm also appointed through the Aleutian Chain, and they're un-
21 organized. They don't have zoning powers. And we have several--

22 MR. CURLIN: Uh-huh. But with regard to Kodiak, specifically--

23 MS. WALLIN: With regard to Kodiak, we have zoning powers.
24 Yes we do.

25 MR. CURLIN: Uh-huh. So, your concern is essentially having

1 the time and the information and perhaps the money, I don't know
2 that that's a factor, to develop your program for some kind of a
3 paced response to this?

4 MS. WALLIN: Right. We asked, the Kodiak Borough asked for
5 an eighteen-month delay, which we received from the Coastal Policy
6 Council. Because we were nowhere ready this year to do it. We're
7 now just starting...or we just received the papers last week, the
8 signed documents to go ahead. And we're now going to start our
9 CZM program. That's going to take us at least a year and a half
10 to draw all our studies we have now, plus some new ones. We have
11 the OCS Committee which is made up of all our committies and a lot
12 of citizens in town with...with...that have spent four years
13 already into it. And I heard them this morning asking you to listen
14 to our plea to... for the no sale or for a long... If you said
15 five year delay, that might...you know, we might compromise...that
16 might be a good compromise. But, uh, they work on this two or
17 three times a week. And it's week in and week out. And, when they
18 ask you, then I have to believe that we need it. I'm only the
19 Mayor. I don't work two or three times a week on the OCS thing
20 alone. So they've put a lot of effort forward on it.

21 MR. CURLIN: Okay, thank you very much.

22 MS. WALLIN: You're welcome.

23 CHAIRPERSON: Chuck Eddy.

24 MR. EDDY: Just briefly following Jim's question. Is...is
25 getting the Coastal Zone Management Plan in place your primary

1 reason or your primary concern in asking for a delay, or are there
2 other factors that are driving that request?

3 MS. WALLIN: That would be our major concern, I believe. If
4 you have a plan...an OCS plan or CZM plan in your community, then
5 you know pretty much if you've got all your studies in and you've
6 got most of the information that's humanly possible to get in to an
7 oil sale that's happening. Now, if we go ahead with the oil sale
8 without even completing our plan, uh, it's like anything else that
9 could address...it just doesn't make sense. There's so many
10 unknowns, you know.

11 MR. EDDY: What...what's your best on the time required to
12 get a plan into place?

13 MS. WALLIN: I'd like five years. I don't know if we can
14 get that. But, I'd like five years.

15 MR. EDDY: Thank you.

16 CHAIRPERSON: I might just follow up, and I probably should
17 know the answer to this, but I don't. How long has Kodiak been
18 an organized Borough?

19 MS. WALLIN: Since 1963, I believe, isn't it. (asking some-
20 one in the audience)

21 CHAIRPERSON: 1963. And, how long have you had a Planning
22 and Zoning Commission?

23 MS. WALLIN: Oh, quite a while, except that... we were sort
24 of a step-child of the state for a long time. And, we had like a
25 plan or consent from the state and about three years ago we adopted

1 the Manager Plan or equivalent, so we have been into a full force
2 where we have a planning full-staff department and so on, about
3 three years.

4 CHAIRPERSON: Three years with the Planning Department. You
5 don't have a master plan?

6 MS. WALLIN: We have a comprehensive plan--

7 CHAIRPERSON: You do have a comprehensive plan?

8 MS. WALLIN: We have...most of our zoning ordinances...we're
9 re-doing some of them because they were done ten years ago, and
10 we're updating a lot of them now. Uh... We've had a, I think '69...
11 '68 or '69, a comprehensive plan went into affect and that is
12 outdated. We're updating that. We have a committee that works on
13 that.

14 CHAIRPERSON: Okay, fine, thank you. Any other questions or
15 comments to Mayor Wallin. (no response) Thank you very much. We
16 appreciate your coming and driving so far so quickly. The next
17 scheduled witness is Mr. Paul Peterson, but we've been asked to
18 change the order of the presentations by the State of Alaska. So,
19 the next witness will be Mr. Bruce Baker, representing the Alaska
20 Department of Policy Development and Planning. And then he will
21 introduce the next state witness. Welcome Bruce.

22 MR. BAKER: Thank you Esther and panel members. Am I
23 speaking loudly enough? Okay. I am Bruce Baker and I am testifying
24 on behalf of Ms. Frances Ulmer who is the Director of Policy
25 Development and Planning in the Office of the Governor of the State

1 of Alaska. I would like to take this opportunity to briefly
2 emphasize some of the major points contained the State of Alaska's
3 position on the draft EIS for Sale No. 46. The letter detailing
4 the State's position was conveyed to BLM on February 25th. Following
5 my testimony, Lance Trasky of the Alaska Department of Fish and
6 Game will introduce local employees who will assist him in explaining
7 their department's views on the EIS. ADF&G's appearance before this
8 panel is a state effort to provide the Kodiak community with as
9 much renewable natural resource information as possible. I should
10 also add that the State's position on this EIS corresponds with
11 each of the positions submitted by various state agencies. With
12 respect to the timing of this sale, I would like to emphasize that
13 this lease is one which Governor Hammond has consistently requested
14 Secretary of the Interior Andrus to postpone. A principal reason
15 for this request is to afford the citizens of the Kodiak Island
16 Borough an opportunity to better prepare themselves for potential
17 onshore and offshore impacts. The State has, therefore, preferred
18 to see this sale forestalled until at least later in the lease
19 schedule period, 1980 to '85, in order to accommodate this need.
20 In its February 25th letter, the State favored the timing indicated
21 by Alternative three over other alternatives portrayed in the EIS.
22 The alternative which the State prefers from the standpoint of
23 lease sale configuration, however, is Alternative four. In addition
24 to deletion of the northern part of the lease area, as called for
25 in this alternative, the State has recommended the additional

1 deletion of seventeen tracts northeast of Sitkinak Island. These
2 tracts present an unduly high pollution hazard because of their
3 nearness to shore, the strong onshore component of circulation in
4 the area, and the importance of the commercial fisheries and marine
5 mammal and bird populations there. The State also concurred with
6 or proposed a number of mitigating measure strategies for this
7 sale, whenever it is conducted. The State has, however, predicated
8 its proposals on the establishment of a Biological Task Force which
9 would advise the oil and gas supervisor on the administration of
10 mitigating measures and in the solution of any resource conflicts
11 which may arise. Organization and responsibilities for this task
12 force should be adapted from those developed for the Georges Bank
13 Sale and the Beaufort Sea sale. We propose that membership on the
14 task force should include representatives of the Kodiak Island
15 Borough and local fishermen's groups, as well as the Alaska
16 Departments of Fish and Game and Environmental Conservation. With
17 respect to the mitigating measures themselves, the State concurs
18 with a number of those identified in the draft EIS but prefers to
19 see the Biological Task Force advise on those relating to cultural
20 resources, well and pipeline requirements, transportation of hydro-
21 carbon products, an orientation program, disposal of muds, cuttings
22 and formation waters, biological resource protection and noise
23 disturbance. While concurring with a number of mitigating measures
24 in the EIS, the State also advocates that additional measures be
25 adopted with respect to the following: LNG facility. If either

1 seawater cooling or cooling towers are substituted for air cooling,
2 there could be significant adverse environmental affects. Seawater
3 cooling could have major impacts because of mortality due to
4 entrainment, physical damage and ecosystem damage or changes due
5 to discharge of heated effluent, and mortality due to large amounts
6 of biocides such as chlorine. Cooling towers could also cause
7 certain adverse impacts. Also related to an LNG facility is the
8 need for tanker routes to be as distant as possible from critical
9 habitats and concentrations of fish and wildlife, and that spill
10 control and cleanup measures be developed to rapidly contain spills
11 at the source. Oil Spill Contingency Plans. The State feels that
12 no drilling shouldbe allowed on the Kodiak Shelf until the USGS
13 can provide far better assurance that adequate protection from a
14 major oil spill or gas condensate spill can be provided. Vessel
15 Traffic Management Plan. Corridors should be established for
16 Kodiak Harbor and outside waters. We have urged BLM to foster
17 cooperative discussions between supply boat operators and fishermen,
18 perhaps through a harbor committee, as a forum for educating each
19 interest group of the other's concerns of measures to alleviate
20 negative interactions. Mandatory Vessel Control Corridors. These
21 corridors should be established for moving oil rig tenders and
22 drilling vessels through important fishing areas. Fishermen's
23 Contingency Fund. We encourage the Department of the Interior to
24 discuss with the Department of Commerce the possibility of releasing
25 a small portion of Alaska's allocation of funds to establish a

1 King and Tanner crab pot gear reserve in Kodiak whereby pots would
2 be stockpiled for use in emergency situations by fishermen whose
3 gear is lost or damaged because of encounters with OCS vessels.
4 Aircraft Disturbance. We have suggested that a lease requirement
5 be developed to prevent disturbance to certain marine mammal
6 rookeries as well as seabird colonies. And these are identified
7 in our letter. In addition to these needs...excuse me...for
8 additional mitigating measures, the State believe that because
9 Sale 46 is an initial sale in a frontier area, a development stage
10 Environmental Impact Statement is essential. This will be
11 particularly important once it is known whether economically
12 recoverable reserves consist primarily of gas, gas condensates or
13 oil. A development EIS is also important for the Kodiak area,
14 given the adjacent proposed Lower Cook Inlet/Shelikof Strait Sale
15 No. 60, which may add significantly to the cumulative impacts on
16 the region. The State, in its position letter, also made a
17 number of specific comments on how the EIS can be strengthened.
18 A few examples are the treatment of extremely important earth-
19 quake-related geophysical hazards, the need to fully describe oil
20 spill risk analysis procedures, the need to thoroughly discuss the
21 implications of an oil discovery, were that to occur, and the need
22 to discuss reduced marketability of fish or shellfish whether or
23 not they are actually tainted by oil or toxic contaminants. In
24 conclusion, we hope that the Department of Interior will be able
25 to accomodate the State's requests and recommendations for this

1 sale and, as indicated in the State's letter, we would like to
2 work with you in the development of suitable mitigating measures
3 for the sale at such time as it actually takes place. Thank you.

4 CHAIRPERSON: Thank you very much. Any comments to Mr.
5 Baker? Chuck Eddy.

6 MR. EDDY: Thank you, Mr. Baker. Your requests, of course,
7 will be very carefully considered. And I think most of the
8 stipulation requests...uh, many of them sound reasonable. Uh, just
9 a clarification on one or two of them...are certain functions that
10 may be outside of the Interior's direct responsibilities where we
11 would have to work with other agencies such as on transportation
12 corridors, and, particularly on questions of requirements that might
13 be imposed on LNG facilities where Interior doesn't have any direct
14 responsibilities. A question though. You indicated some desire
15 to see enhancement of spill protection measures as either a
16 stipulation or possibly a proposed regulatory change. We heard
17 testimony Tuesday on the industry's plans for prepositioning of
18 containment and cleanup equipment, and,...I'm..and also the
19 limitations on that equipment, the inability to contain oil in
20 seas of greater than five feet. Could you give us some idea as to
21 what it is the State would expect in addition to the current system
22 that's been employed in Cook Inlet, Gulf of Alaska and so forth?

23 MR. BAKER: I'll attempt to start to answer that, and it may
24 be followed up by some of the Fish and Game people later. I think
25 basically, Chuck, the problem is that we share this observation

1 that in seas over five feet, there's a low liability of effective
2 cleanup and containment before there's impingement on nearby
3 shore lands. And, I don't know what's required to prevent that,
4 but I think it's safe to say that five feet of sea, you know, to
5 have the capability in seas not greater than five feet is an
6 extreme handicap in waters that we're talking about in the Gulf of
7 Alaska, where we have storm waves of fifty foot and more. And
8 that's not to say anything of geophysical or Tsunami...uh, geophy-
9 sical events and resulting Tsunami waves. I don't know what the
10 optimum is, but I think that we're below it now.

11 MR. EDDY: Well, there's a probably a state-of-the-art
12 problem there, but, you...I take it, though, that you're not
13 referring to the type of contingency planning or the prepositioning
14 of equipment itself. That...that those systems as they've been
15 employed in Alaska before appear to be sufficient? It's more
16 concern with the technology and the ability, the actual ability to
17 cleanup under different conditions or contain under different
18 conditions?

19 MR. BAKER: I think I understand your question. Our points.
20 We have two points. Number one, we'd like to see very stringent
21 cleanup and containment provisions in the terms of the lease. The
22 other point, however, is that there's an uneasiness with this
23 sale at the present time with the present state-of-the-art that
24 was described to you apparently the other day. I'd like to comment
25 on your first point, that of the need to integrate the efforts of

1 a number of Federal departments in this respect. We recognize that,
2 certainly. And, we more or less look to the Department of Interior
3 as the forerunner in this kind of activity as the one who's in the
4 best....the agency that is in the best position to deal with the
5 other agencies and develop a coordinative rapport and forum with
6 them. Uh,--

7 MR. EDDY: We have done that before. I guess I was...the
8 principal concern I had there was with LNG facilities where, uh,...
9 I'm not aware that we have had, in the context of developing a
10 lease sale, attempted to think well in advance and possibly impose
11 stipulations on future facilities that probably would not be
12 developed by the lessees themselves. It kind of introduces a new
13 element in there, we'll just have to talk to you a lot more about
14 that.

15 MR. BAKER: Yeah, this is something that we've been interested
16 in on a number of sales, including this one. And that is that the
17 dealing, the coping with onshore impacts that we recognize might
18 be beyond the immediate jurisdiction of your department, and yet,
19 there are still, nevertheless, problems that have to be addressed
20 in any lease sale.

21 CHAIRPERSON: Joe Jones had something and then Jim Curlin.

22 MR. JONES: In that last concept that you just mentioned just
23 now, I wanted to address myself to one stipulation which you
24 mentioned here, that you thought should be in place. And that is
25 the one of the flyover of rookeries and so forth. As you know,

1 the Geological Survey has the enforcement authority on the lease.
2 Only on the lease. We cannot enforce anything that takes place
3 off the lease, and of course, three miles away, there would be no
4 way that we could enforce a non-flyover regulation. That's just
5 another one of these cases that... We would have your interest at
6 heart, but we don't know how we'd do anything about it except
7 through another agency.

8 MR. BAKER: I understand what you're saying, Jone, and we
9 faced the same problem in the Katchemak Bay area with respect to
10 encounters between OCS-related and non-related vessels. And I
11 think that all of this simply points to the increasing need for
12 there to be an effective coordinating mechanism at the federal
13 level. I don't offer the solution for that, but there needs to
14 be some forum at the federal level to deal with inter-agency
15 coordination. I think you'd agree.

16 MR. JONES: We'll agree to that.

17 CHAIRPERSON: Jim Curlin.

18 MR. CURLIN: Yes, Bruce, you, in your testimony, you recommend,
19 I believe, option three, which is the delay, I understand. Is
20 that correct?

21 MR. BAKER: We recommend Alternative....we said that
22 Alternative three best meets our desire to see this lease sale
23 delayed, however, it's Alternative...the configuration defined in
24 Alternative four that we favor for purposes of configuration.

25 MR. CURLIN: I understand that. And, of course, this would

1 then entail a change in the leasing schedule which has some other
2 effects on Alaska as a whole. You know, perhaps a ripple effect,
3 but, more directly, we haven't heard yet this morning, but recalling
4 from the Anchorage hearings the other day, the referral to the
5 cumulative impact between Sale 60 and 46. Now, you didn't mention
6 what you would do with 60 or if you see that as kind of an integral
7 part of this entire decision process affecting Kodiak. Do you have
8 any observations on that?

9 MR. BAKER: Your right, it hasn't been addressed in the State's
10 position heretofore. Suffice it say, that we endorse the notion
11 of coordinating those two sales to the highest extent...the greatest
12 extent possible. We have not advocated a delay in Sale 60. Uh...
13 if you were to...you know, I'm assuming that your coordination...the
14 coordination of the two sales might imply the possible delay of
15 46 just simply to do that. In other words, it might be necessary
16 to slip 46 in order to coordinate them. I don't know. That's the
17 kind of a judgment you'd have to make. But, the idea of coordinating
18 those two sales makes sense.

19 MR. CURLIN: Okay. Thank you very much.

20 CHAIRPERSON: Any other comments? Gerry Reid.

21 MR. REID: Following up on that, Bruce, I would gather then
22 that the concept would then be that the biological task force and
23 any other entities set up to handle the number...the various
24 stipulations you suggested would operate in concert for both 46
25 and 60?

1 MR. BAKER: Well, I think that's reasonable to assume, Gerry.
2 One of the reasons that we're advocating the biological task force
3 is that we see a lot of the problems that have been identified
4 during these hearings to be, uh...not all of them, are manageable
5 if the right people can participate in decision making. That
6 doesn't mean that they share the decision, necessarily. Some of
7 these are statutorily that of a certain federal agency. But, at
8 least from an advisory standpoint, we think that a lot of problems
9 can be resolved if the right people, including local interests, are
10 reflected in the predecision process.

11 MR. REID: Thank you.

12 CHAIRPERSON: Any other comments? Thank you very much, Bruce.

13 MR. BAKER: Thank you. I'd like to turn it over to Lance
14 Trasky, now, of Fish and Game.

15 CHAIRPERSON: Okay. Lance?

16 MR. TRASKY: Yes. My name is Lance Trasky and I'll be one
17 of the people testifying for the Alaska Department of Fish and
18 Game at the hearing. The Department's testimony on the proposal
19 to lease Federal OCS lands on the Kodiak shelf for oil and gas
20 development will be presented in five parts. Paul Pederson will
21 testify on the effects of the proposal on fin fish, Rodney Kaiser
22 will testify on shellfish, Roger Smith will testify on marine
23 mammals and birds, and...excuse me, terrestrial mammals and birds,
24 and Karl Schneider will testify on marine mammals. I will
25 summarize the Department's concerns and recommendations of the

1 proposal. And copies of the individual statements will be
2 presented at the conclusion of the Department's testimony. And
3 we'll start our testimony with Paul Pederson.

4 CHAIRPERSON: With Paul Pederson, and you're going to speak,
5 uh,--

6 MR. TRASKY: On the effects of the proposal on finfish.

7 CHAIRPERSON: The effects on fin fish. Thank you.

8 MR. PEDERSON: My name is Paul Pederson and I'm the Westward
9 Region finfish biologist for the Alaska Department of Fish and
10 Game. I've been asked to address the Draft Environmental Impact
11 Statement on Lease Sale No. 46 regarding finfish resources and
12 related fisheries and offer the following comments: On page 108,
13 it is stated that a year class of fry as well as a year class of
14 adult pink salmon may be adversely affected. However, on page 177
15 it states that an entire year class may be destroyed. Elsewhere
16 on page 108, it is stated that the impact on pink salmon from
17 nearshore pollution can best be approximated by the natural
18 difference in the size of strong and weak year classes. Since the
19 weak odd-year catches have averaged one third the poundage of the
20 strong even-year catches, it is concluded that the catch of salmon
21 could be reduced by one third. This is pure speculation. National
22 Marine Fisheries Service is currently conducting studies in South-
23 east Alaska on pink and chum salmon estuarine marine survival and
24 behavior related to migration, distribution and effects on
25 environmental factors such as temperature, light, currents,

1 salinity, food organisms, etcetera. Very little is known about
2 salmon at this very critical stage of their life cycle. Additional
3 information in this regard, as well as effects of pollutants on
4 young salmon, is needed before any impacts can be predicted. The
5 impact of oil spills in a given area could be anywhere from zero
6 to one hundred percent mortality depending on many factors such
7 as type and amount of pollutants, time of year, etcetera. Total
8 mortality in a given stream system may be unlikely to occur, but
9 it could require complete restocking of salmon. Many issues which
10 relate to impact of oil and gas development will not be adequately
11 addressed until after the lease sale. This includes things like
12 more specific locations and requirements for onshore LNG plants
13 and supply bases. Kiliuda and Chiniak bays are mentioned in the
14 different alternatives, but yet it is stated that they are only
15 possible locations. It seems that since the potential nearshore
16 and onshore impacts will be a direct result of plant location,
17 plant specifications, pipeline location and tanker and barge routes,
18 it would be equally as important if not more so, to know these
19 exact locations as it is to know the locations of the oil lease
20 tracts. On page 105 it states that unavoidable adverse effects
21 will be caused by spills in the long term, and that such impact
22 cannot be mitigated except through judicious siting of onshore
23 facilities. This points out the importance of getting the plant
24 locations narrowed down and having public participation in the
25 decision making. We suggest that no sale be held until the

1 completion of the Kodiak Coastal Management Plan. OCS operating
2 orders leave some very important decisions to be made at the
3 discretion of the supervisor, area supervisor of the Geological
4 Survey. This includes such things as approval of an oil spill
5 contingency plan and protection of biological resources. We are
6 curious about the size of his staff and their areas of expertise
7 and in general the methods and mechanisms used to inform the
8 supervisor of problems or potential problems. And we suggest that
9 a joint local, State and Federal biological task force be set up
10 to assist the the supervisor in determining potential and real
11 biological resource pollution problems. When losses to the fisheries
12 resources occur as a result of oil pollution, the Offshore Oil
13 Pollution Compensation Fund will supposedly compensate those
14 affected. We want to point out that it will be extremely difficult
15 and costly to file claims and prove the actual dollar value of
16 such losses. There will be indirect as well as direct damage to
17 specific resources, and then there will be problems in determining
18 who is entitled to such compensation. An equitable and expeditious
19 means of settling claims must be spelled out in more detail. It
20 should be made clear, also, that the fisheries resources, and
21 established and future fisheries must have primary consideration
22 over oil and gas related activities whenever possible and practical.
23 In regards to such things as tanker traffic and pipeline locations,
24 the schedules and routes should be such that they do not interfere
25 with fisheries. This is particularly important in nearshore areas

1 or bays such as Kiliuda. We suggest mandatory vessel corridors
2 for industrial traffic and possible traffic control systems for
3 congested areas such as terminals and harbors. Studies regarding
4 geologic hazards, pollutant transport and biological resources are
5 still ongoing and incomplete as stated in Graphic one, three G.
6 Some very important information has been obtained since 1977 which
7 indicates that gas rather than oil is expected to be found. If the
8 current ongoing studies are worthwhile, it would seem that, if the
9 sale were delayed until their completion, they might reveal other
10 important information concerning this lease sale. Most of the
11 obvious errors which were pointed out in the original 1977 document
12 have been corrected. On graphic number three, there are still
13 errors in areas open to seining and areas permanently closed to
14 salmon fishing. The current and projected catch and vessel figures
15 supplied by Alaska Sea Grant Program on pages 78-79 and Tables
16 III , H.1-1; III H.1-1(a) and III H.1-2 are not reasonable, and
17 we suggest that the writing staff contact the department for these
18 corrections. (Statement Submitted - See Addendum)

19 CHAIRPERSON: Can you tell us what those corrections would
20 be today?

21 MR. PEDERSON: Not at this time, but I did talk to a lady
22 that...from the OCS staff that would be down to see us tomorrow
23 and she would get those corrections. In summary, it is recommended
24 that the lease sale be delayed for at least five years for the
25 above-mentioned reasons. We also recommend that if the sale is

1 held, it should be modified to exclude at least 16 tracts in the
2 northern area. Numbers 193, 194, 195, 281, 282, 237, 238, 239,
3 367, 368, 411, 412, 455, 456, 499 and 500 and twelve tracts in the
4 southern area; 215, 216, 217, 258, 259, 260, 261, 302, 303, 304,
5 346 and 347. Exclusion of these tracts appear to greatly the lessen
6 the potential impacts on the environment and at the same time have
7 minor effects on the overall total oil and gas potential.

8 CHAIRPERSON: Would you prefer that we hold our questions
9 until everyone has had a chance to testify?

10 MR. TRASKY: It doesn't make any difference, really.

11 CHAIRPERSON: What's the panel's pleasure?

12 MR. CURLIN: That would be fine.

13 CHAIRPERSON: All right. We'll hold our questions until
14 you've all finished.

15 MR. KAISER: My name is Rod Kaiser. I'm the Kodiak Area
16 Shellfish Management Biologist for the Department of Fish and Game.
17 I've been requested also to comment on the DEIS for Lease Sale 46
18 and its possible impacts on the shellfish resources of the Kodiak
19 Island management unit. And I'd like to offer the following
20 comments: I'll leave some that are being duplicated, that have
21 already been mentioned. The DEIS discusses six alternative actions
22 in the exploration and development of potential oil and gas leases
23 on the continental shelf along the east side of Kodiak Island.
24 Alternatives number one, four, five and six propose the laying of
25 varying lengths and routes of parallel twenty-two inch pipelines

1 on the ocean floor, almost entirely in an unburied status, outside
2 of the proposed LNG site at Kiliuda Bay. We in the shellfish
3 staff are very concerned that the existence of these interconnecting
4 lines from the various tract locations in the northcentral and
5 southern areas and their proposed smooth design to minimize the
6 fouling of commercial trawl gear could significantly affect periodic
7 king and tanner crab inshore/offshore migration patterns of both
8 subadults and adult-size crab during various seasons of the year.
9 Once in place, the pipeline could also affect the commercial
10 fishing patterns as the crab might tend to line up along these
11 pipeline corridors, thus providing an unusually high potential
12 to overfish certain segments of individual crab stocks. Secondly,
13 the aggregations of carb along these artificial obstructions may
14 alter the predator/prey relationship in such a way as to increase
15 significantly the predation on smaller-size crabs by other species.
16 For example, pacific cod prey heavily on small tanner crab and they
17 would find a very high or large amount of food source in the way
18 of small tanner crab available along these corridors. Examples of
19 where important migrations occur accompany the written report that s
20 been given. These factors could ultimately disrupt and perhaps
21 permanently reduce the size of the crab population along the
22 east side of Kodiak Island. And this reduction in the stock
23 abundance would ultimately mean a corresponding lower commercial
24 fishing potential in future years. We recommend that additional
25 information be gathered and analyzed and included in the DEIS as

1 to the effects of such a pipeline on crab movements. We also
2 recommend that before any such line is in place, that the proposed
3 joint state, federal biological task force, as recommended by the
4 Department of Fish and Game, be consulted and approve the placement
5 and location of such a pipeline. Some modification in the pipeline
6 as presented in the DEIS and a change in its routing could lessen
7 the potential impact on the crab migrations. The large volume of
8 tanker, barge and other oil/gas production traffic undoubtedly
9 will conflict with marine vessel traffic. Also, it is going to
10 impact the commercial fishing operations of the Kodiak fishing
11 fleet on the east side of the Kodiak Island area, particularly in
12 the bay and offshore crab fisheries. It cannot be emphasized too
13 strongly that vessel corridors involving oil industry traffic need
14 to be established to minimize impact with the commercial fishing
15 operations. In particular, the offshore locations of the Marmot
16 and Chiniak Gullies, the waters of Cape Barnabus, Two-Headed Island,
17 Cape Sitkinak, and south of the Trinity Islands are all important
18 fishing locations where large amounts of stationary gear, namely
19 pots, will be found during the king and tanner crab fishing seasons.
20 As one example, during the 1979-80 king crab season, from September
21 through January, approximately fifty vessels fished in the Chiniak
22 Gulley area alone and probably placed, based upon a hundred pots
23 per vessel, up to nearly five thousand pots in this one location.
24 During the current '79-80 tanner crab season, January through April,
25 this same location had approximately forty one boats fishing perhaps

1 as many as eight thousand pots on the grounds, based on two hundred
2 pots per vessel. The nearshore and bay areas are similarly important.
3 Where any LNG site is constructed, mandatory traffic corridors will
4 absolutely required. On page 81, in Table III H.L.-6, which
5 shows the projected harvesting activity in the Kodiak tanner crab
6 fishery for 1980 to 2000, I'd like to point out that the number of
7 boats projected is extremely low, although the last ten years have
8 shown an average of a hundred and seven vessels fishing the Kodiak
9 area, the last two fishing seasons have shown an average of over
10 two hundred tanner crab vessels. And this projection should be
11 changed to an estimated two hundred and ten vessels as a more
12 realistic figure for the period 1980 to the year 2000. Also,
13 the graphic illustration of the Kodiak shellfisheries contains a
14 multitude of life history and commercial catch information, graphic
15 number four. But after two or three tries, still has many important
16 ommisions. The Department has updated and corrected many portions
17 of this graphic and it is available for the BLM writing staff.
18 Finally, it is recommended that the proposed sale, Number 46, be
19 delayed three to five years to better prepare for the lease sale
20 impacts on shellfishery resources. If at that time the sale
21 proceeds, we recommend that at least, alternative six be adopted
22 which will eliminate all southern tract blocks west of 153 degrees
23 west longitude. This entire southern tract region represents
24 perhaps the most important group of tracts in relation to their
25 proximity to major established commercial shellfisheries, major

1 crab mating and crab rearing areas in the shallow waters along the
2 southeast and southwest portions of Kodiak Island and Trinity
3 Islands. The components of water circulation in this region, as
4 described in graphic number 2 make it highly likely that prevailing
5 currents will carry oil and or gas contaminants from these southern
6 tract locations inshore and westerly into the southwest region of
7 Kodiak Island's waters. This southwest area is generally described
8 as the ocean area from Cape Ikolik on the north to the Semidid and
9 Chirikof Islands on the south. These southern areas are the most
10 productive crab grounds in the Kodiak Island area, and in the Gulf
11 of Alaska and are quite literally the bread basket of our productive
12 shellfish industry. In addition, it is recommended that the two
13 nearshore tracts off Cape Chiniak including block group 193, 194,
14 195, 237, 238, 281 and 282 together with group 367, 368, 411, 412,
15 455, 456, 499 and 500 be deleted due to their high spill hazard
16 potential. Thank you for the opportunity to comment.

17 CHAIRPERSON: Thank you, Mr. Kaiser.

18 MR. SCHNEIDER: My name is Karl Schneider and I'd like to
19 address the marine mammal aspects of the draft EIS. Marine mammal
20 use in the Kodiak area is described in graphics number five and six
21 and in short narratives that are on the back of each graphic. The
22 graphics contain a substantial amount of correct and up-to-date
23 information with only a few actual errors. However, the usefulness
24 is compromised by numerous omissions, poorly defined and inconsis-
25 tently or erroneously applied terminology, and the inclusion of

1 meaningless or incompletely analyzed information. It would be
2 pointless for me to attempt to correct all of these faults here,
3 however, in my written testimony, I am giving some examples of the
4 types of errors. I won't read them off at this point, though.
5 The narrative sections clarify a few of the points not readily
6 apparent in the graphics, but overall, they are too general and do
7 not provide information specific to the lease area.

8 CHAIRPERSON: The graphics are too general?

9 MR. SCHNEIDER: The narrative...well, the graphics are more
10 specific, although there are, as I said, a number of problems, but
11 the narrative is the thing that's most general.

12 CHAIRPERSON: Excuse me for interrupting you, go ahead.

13 MR. SCHNEIDER: Uh, population...population estimates are
14 almost without exception erroneous, outdated or misleading. And,
15 again, I've given some examples in my written testimony. The
16 EIS correctly identifies several critical locations such as Tugidak
17 Island, Marmot Island and Sugarload Island but fails to identify
18 areas which may be only slightly less important or to define the
19 real significance of these areas. For example, recent data
20 indicate that over sixty percent of the sea lion pups born between
21 Unimak Pass and Dixon Entrance are born on rookeries near the
22 proposed lease area, thirty-seven percent on Marmot and Sugarloaf
23 Island alone. Sea lions from these rookeries are known to range
24 at least to southeast Alaska and probably British Columbia and
25 even further south. A reduction in pup production or survival on

1 these rookeries could result in reduced densities in areas over
2 a thousand miles away. It's possible that Steller sea lion numbers
3 in the entire eastern portion of their range from southeast Alaska
4 to California depend to a degree on the breeding success at the
5 major rookeries of the Kodiak area. The Kodiak area is equally
6 important to other species of marine mammals. Most of the eastern
7 Pacific population of gray whales and northern fur seals migrate
8 through or near the proposed lease area each year. Clearly,
9 alterations of the Kodiak area could influence marine mammal
10 densities throughout much of the north Pacific Ocean and Bering
11 Sea. The EIS should be written in a manner that would give a
12 reader with little background in marine mammals an understanding
13 of the importance of the Kodiak area to the entire species or
14 populations of marine mammals, which is, in some cases, requires
15 a world-wide perspective. It should also allow the reader to
16 quickly identify sensitive geographic areas and biological processes.
17 This would allow decision makers to use the document to weigh the
18 importance of marine mammals in the area against conflicting values.
19 With a few exceptions, the graphics and accompanying narratives in
20 this draft fail to convey the available information in a manner
21 that would be useful in decision making. In the section that deals
22 with impacts of the proposal, there are three basic types of adverse
23 impacts of oil and gas development on marine mammals. They are
24 disturbance, direct oiling, ingestion or inhalation, and third is
25 indirect mechanisms through the food chain. The discussion of

1 impacts of the proposal on marine mammals correctly identifies
2 disturbance near major harbor seal and sea lion rookeries as a
3 major concern, although it does not name all of the areas which
4 require protection. It minimizes the other mechanisms of impact
5 on harbor seals, sea lions, fur seals and sea otters apparently
6 because it was believed that gas and gas condensates would have
7 little effect on these species either directly or indirectly.
8 However, in the same section of the EIS it's indicated that these
9 same mechanisms might significantly effect whales. Fur seals,
10 harbor seals, sea lions and sea otters also occur in the areas
11 where spills might occur. The EIS indicates a possibility of spills
12 reaching shore near important rookeries before toxic fractions
13 would have fully dissipated. Tanker accidents could threaten
14 marine mammals in other areas. The effects of gas and gas conden-
15 sates on these species are no better understood than they are on
16 whales. Therefore, significant impacts are possible. The EIS
17 is correct in indicating and I quote, "With glaring data gaps, no
18 valid conclusion regarding the impacts of oil and gas development
19 on endangered whales can be made." This statement would be equally
20 valid if applied to other species of marine mammals. Therefore,
21 the development of a worst case assessment for fur seals, harbor
22 seals, sea lions and sea otters would be appropriate. The EIS
23 states that a twenty percent marine mammal population reduction
24 could occur and concluded that the overall effects should be
25 moderate. There is no factual basis for the twenty percent

1 reduction estimate or for the conclusion that this would have only
2 a moderate overall effect. The maximum development scenario is
3 based on the assumption that heavy hydrocarbons, or oil, could be
4 spilled. Yet, the impacts of the proposal and its alternatives
5 which were presented early in the EIS are based on the assumption
6 that only gas or gas condensates will be found. It's difficult to
7 reconcile these inconsistencies. The nature and severity of impacts
8 on marine mammals could be quite different depending upon the types
9 of hydrocarbons found. Impacts of oil on marine mammals other than
10 whales are described in a vague six-line paragraph on page 180. If
11 a possibility of oil spills exists, important questions such as the
12 effects of direct oiling of sea otters and fur seals, the effects
13 of oil on mother/pup recognition of seals and sea lions and the
14 longer term effects of food webs should be discussed in detail.
15 The worst case analysis of impacts on whales needs revision. It
16 assumes a sixty-day blowout but then assumes that it would take
17 four months, or one hundred and twenty days, to shut down the
18 blowout. The analysis is based on the blowout of an oil well,
19 whereas it has been stated that gas is likely to be found. It's
20 possible that a gas well blowout at a critical time and place could
21 have a greater impact on whales than an oil well blowout. For
22 example, gray whales tend to migrate along narrow corridors, in
23 some cases less than a kilometer wide. Inhalation of gas could be
24 lethal to whales. A gas well blowout starting in early April and
25 running for four months could expose almost the entire gray whale

1 population to the possibility of gas inhalation. For other
2 species a tanker accident might represent the worst case. There
3 is no indication of what the worst case scenario really means. It's
4 concluded that there is a possibility of large numbers of whales
5 being killed by various physiologic impacts and of further decline
6 of endangered populations resulting from disturbance. Does this
7 mean potential extinction of species? What of possible cumulative
8 effects from other lease areas? The EIS states that there may be
9 cumulative impacts from several lease sales in the Gulf of Alaska,
10 Lower Cook Inlet area. However, many species of marine mammals
11 face much broader cumulative impacts. For example, gray whales
12 and fur seals annually migrate between the Bering Sea or even the
13 Chukchi Sea to areas as far south as Mexico. Throughout the year
14 they are exposed to impacts from virtually every present or pro-
15 posed offshore lease area along the west coast of the United
16 States and Canada except some of those in the Arctic Ocean. They
17 are also exposed to tanker traffic carrying crude oil, and soon
18 LNG, as well as that carrying refined products. Fuel aboard other
19 vessels and other human activities not directly related to oil and
20 gas development also pose threats. The scope of the analysis of
21 cumulative effects should be broadened to reflect all sources of
22 impact. And the significance of cumulative impacts should be
23 discussed in more detail. The EIS suggests possible measures for
24 mitigating disturbance around major marine mammal rookeries. They
25 would restrict boat and air traffic in sensitive areas. These

1 measures should be adequate to reduce the problem of disturbance
2 on hauled out breeding, pupping and molting harbor seals and sea
3 lions to an acceptable level without seriously restricting oil and
4 gas development activities. Without such measures, substantial
5 adverse impacts are likely to occur. Mortality of harbor seal
6 pups caused by pre-lease activities of oil company geologists has
7 already been documented on Tugidak Island. These stipulations
8 should not be left as a potential measure. They should be instituted
9 at the outset and strictly enforced. Other possible mitigating
10 measures such as restriction of activities to period when fewer
11 whales are present are not adequately addressed. In conclusion,
12 the draft EIS does not present available data on marine mammal
13 distribution, abundance, sensitive habitats and sensitive processes
14 in a manner that would give decision makers the necessary under-
15 standing to weigh the importance of marine mammals in the Kodiak
16 area against competing interests. The impact analysis does not
17 identify the full range of possible impacts of leasing on marine
18 mammals. While the EIS could be significantly improved, it is
19 unlikely that it could be rewritten to provide a reliable prediction
20 of impacts on marine mammals. Large data gaps exist. Few studies
21 have been conducted to document use of offshore areas, including
22 the lease areas, by marine mammals. Information on use by certain
23 endangered whales is especially sketchy. In many cases we don't
24 know where they are, when they are there, how many are there, if
25 they are feeding, breeding or calving, or what segments of the

1 population are there. The effects of oil on marine mammals are
2 poorly understood and virtually no data exists on the effects of
3 gas and gas condensates. Very little is known about the effects
4 of offshore disturbance on marine mammals. Until these questions
5 can be answered, a reliable impact assessment cannot be made.
6 We know that the Kodiak area is important to a variety of marine
7 mammal species, some of which are classified as endangered. We
8 know that oil and gas development poses risks to at least some of
9 these species and that the risks may be compounded by the cumu-
10 lative effects of multiple lease areas, yet we cannot quantify
11 these risks. In the absence of adequate data, only a conservative
12 approach to leasing can reduce these risks to known safe levels.

13 CHAIRPERSON: Thank you Mr. Schneider. You must be Roger
14 Smith. (Schneider Statement Submitted - See Addendum)

15 MR. SMITH: Right. Okay. My name is Roger Smith. I'm an
16 area Game Management Biologist for the Alaska Department of Fish
17 and Game here in Kodiak and my comments will primarily be directed
18 toward terrestrial wildlife and seabirds.

19 CHAIRPERSON: You all are going to file your written comments,
20 are you not?

21 MR. SMITH: Yes. For the most part, right. A frequent
22 criticism of the Environmental Impact Statement is that subjective
23 statements are made to downplay the importance of a particular unit
24 of wildlife habitat which will be rendered unuseable by a proposed
25 development. Examples of this tendency are in evidence in the

1 section on terrestrial mammals where the phrases "disturbance
2 should not be significant" and "should not have any significant
3 affect (sic)" are used referring to impacts on terrestrial mammals.
4 The term "displacement" is used as a more palatable substitute for
5 habitat loss since displacement implies no lasting effect on the
6 wildlife population. The impacts of terrestrial wildlife will
7 probably be relatively small, considering that most of Kodiak's
8 terrestrial wildlife habitat won't be affected by the project.
9 However, the Terror Lake Hydroelectric Project, logging on Afognak
10 Island, and oil and gas development are all currently considered
11 projects which each claim only small parcels of wildlife habitat.
12 The cumulative effects, however, of similar small losses of habitat
13 from secondary development associated with OCS development in the
14 future could have significant impacts on wildlife populations.
15 Development of the LNG facility was identified in the EIS as the
16 source of the most direct habitat loss. The loss of two hundred
17 acres of terrestrial habitat is forecast for a Kiliuda Bay site.
18 Besides removal of vegetative cover and direct loss of food and
19 cover for wildlife, the overall quality of habitat in that drainage,
20 and possibly an even wider area, would be diminished. Construction
21 activity and increased fixed-wing and helicopter traffic would
22 alter movement patterns and feeding activities of brown bear, deer,
23 and other mammals and birds beyond the development site boundaries.
24 Brown bear would be particularly sensitive to harrassment during
25 late summer when they concentrate along salmon streams. Some

1 direct loss to illegal hunting and defense of life kills can be
2 expected. Bear problems are often aggravated by improper garbage
3 disposal and the practice of feeding the animals. Such direct
4 mortality would be compensated for by restricting sport hunting
5 to reduce the allowable harvest. An indoctrination program for
6 employees could help minimize bear/people encounters and promote
7 a measure of respect for wildlife. Prohibition of low flight over
8 bear feeding areas would minimize harrassment. Prohibiting access
9 to bear feeding areas at the peak season would be desirable. Use
10 of off-road vehicles should be prohibited if a conflict with wild-
11 life is identified. For the increase in fixed-wing and helicopter
12 traffic during the development would result in increased harrass-
13 ment of brown bear throughout the Kodiak Island area. Other highly
14 visible mammals such as goats and elk would be subject to increased
15 herding and harrassment. Excessive harrassment of the animals
16 during period of stress, particularly during late winter, could
17 result in increased mortality. Seabird colonies would also be
18 susceptible to loss of productivity from aircraft disturbance.
19 Bald eagles may abandon nests if repeatedly disturbed by aircraft.
20 Some mitigation of these impacts could be accomplished by assigning
21 flight corridors to avoid sensitive areas. Difficult of enforcing
22 such requirements would limit the effectiveness of these procedures.
23 Elk herds are highly visible and would be particularly susceptible
24 to harrassment in wintering areas on eastern Afognak Island.
25 Deletion of the northernmost tracts as suggested in Alternative four

1 would minimize this impact by reducing air traffic. Any increase
2 in the human population associated with oil and gas development
3 would result in increased competition for locally available hunting
4 and fishing. Considering that three of the four major big game
5 species on Kodiak are presently subject to a limitation on hunting
6 permits, even a small population increase could significantly
7 affect the odds for the drawing of permits to hunt these species.
8 The northeastern corner of Kodiak Island, with its limited road
9 system, could be expected to register the greatest increase in
10 hunting pressure. Restrictive hunting seasons and bag limits
11 already in effect there might need to be further tightened. In
12 the immediate area of the LNG site, fur bear, brown bear and deer
13 populations might become depressed from overharvest. Localized
14 season closures might become necessary. The quality of the
15 individual hunting experience and other outdoor recreational
16 activities would deteriorate throughout the Kodiak area with
17 increases in hunting pressure and increases in aircraft activity.
18 In a 1978 survey of Kodiak brown bear hunters, twenty-one percent
19 replied that aircraft activity detracted from their hunts.
20 Helicopter activity was considered a detraction by twelve percent
21 of the respondents. Kodiak Island is world renowned for its
22 brown bear and approximately one hundred non-resident hunters
23 annually contribute a minimum of five hundred thousand dollars to
24 the guiding industry alone. The loss of wilderness quality in
25 brown bear hunting could affect several brown bear guides and

1 should be addressed in the EIS. The negative impact on bear
2 hunting could be partially alleviated by seasonal prohibitions on
3 low-level flight over bear hunting areas. Additional costs to the
4 State for wildlife law enforcement and management associated with
5 an increased human population must be considered a significant
6 impact. Development of the LNG facility in a remote area would
7 create additional enforcement and management problems which would
8 be particularly expensive to investigate. Potential impacts of
9 pollutants and petroleum spills is outlined to a large extent in
10 the EIS. Spills of oil and other pollutants around the LNG plant
11 would be a chronic source of mortality for small numbers of
12 seabirds. A 1970 oil spill incident, presumably from bilge
13 pumping by a large vessel, resulted in widespread loss of seabirds
14 and marine mammals in the Kodiak area. Increased traffic by large
15 vessels would result in a proportional increase in this hazard.
16 After reviewing all the scenarios presented in the EIS, the best
17 course of action, considering the inadequacies of the EIS, is to
18 delay, cancel or at least remove the most biologically sensitive
19 tracts. (Statement Submitted - See Addendum)

20 CHAIRPERSON: Thank you. Lance do you want to conclude
21 before we go on?

22 MR. TRASKY: Yes. I have a summary. My name is Lance
23 Trasky and a Habitat Biologist with Alaska Department of Fish
24 and Game. The testimony of the Department's experts on the fish
25 and wildlife resources of the Kodiak shelf has shown that many of

1 the key questions regarding the effects of oil and gas development
2 on the fish and wildlife resources of the Kodiak shelf and the
3 human use of these resources still remain unanswered. For example,
4 no information is available on the effects of submarine noise
5 from seismic activities on marine mammals. The use of Kodiak
6 shelf by endangered species is very poorly understood. The actual
7 effect of a large hydrocarbon spill on the pelagic bottomfish
8 eggs and larvae is largely unknown. And the effects of unburied
9 pipelines on the essential seasonal movements of king and Tanner
10 crab is unknown. Additionally, the cumulative effects of con-
11 current leasing in adjacent OCS areas such as Lower Cook Inlet and
12 the Northeastern Gulf, has not been adequately addressed. The
13 migratory species found on the Kodiak shelf also use other areas
14 scheduled for OCS leasing. And even the comparatively small
15 declines in species populations hypothesized for some species in
16 the Kodiak lease area could be devastating when the sum of the
17 potential effects over their entire range is considered. In some
18 cases, the entire habitat of certain species such as fur seals
19 is scheduled for oil and gas leasing during the current five-year
20 OCS lease schedule. The Department feels that the mitigating
21 measures presently proposed in the Draft Environmental Impact
22 Statement are inadequate to reduce the potential environmental
23 impacts of the proposal to an acceptable level. Although some of
24 the additional impacts of oil and gas activities we have identified
25 could be mitigated at this time by modifying existing mitigating

1 measures, or adopting additional mitigating measures, many could
2 not be. Many potential impacts, such as the effects of submarine
3 noise disturbance from seismic operations on the distribution of
4 endangered whales on the Kodiak shelf cannot be reasonably
5 mitigated at this time because of lack of information on both the
6 effects and the distribution of whales. However, we do have
7 sufficient information, now, to be concerned about this problem.
8 Because of the problems we've identified, the Department urges
9 BLM to follow the State's recommendation on the five-year OCS
10 oil and gas lease schedule and delay sale 46 for a minimum of
11 three to five years. This will allow BLM additional time for the
12 completion of the essential scientific studies we have identified,
13 and will give the Kodiak Borough sufficient time to develop a
14 Coastal Management Plan and prepare for onshore impacts. At the
15 end of this period, the sale can be reviewed and its desirability
16 determined at that time. In addition to a sale delay, we strongly
17 recommend that additional mitigating measures be adopted for the
18 sale 46 area. While, and because the Department's comments on
19 the draft EIS were incorporated into the State's position on sale
20 46, Bruce Baker has already covered many of our mitigating measures
21 that we recommended. And we endorse all of his recommendations.
22 To avoid repetition and save time, I will confine my testimony to
23 additional mitigating measures or additional testimony on a few
24 things that he talked about.

25 CHAIRPERSON: Thank you, because we are running behind, Lance.

1 MR. TRASKY: Okay. Okay, very quickly. The evaluation of
2 the severity of potential environmental impacts in the EIS is
3 based upon a gas scenario. We feel that if oil is discovered that
4 an entirely new EIS should be written. Second, we recommend the
5 adoption of a...of lease option four with some modifications and
6 deletions of additional tracts. And those are identified in a
7 map in our testimony we'll be presenting to you. We strongly
8 support all the draft mitigating measures proposed, as stipulations
9 or information to the lessees in the EIS and we strongly urge that
10 a biological task force be formed to advise the supervisor of their
11 enforcement. Large scale onshore facilities, such as the LNG
12 plant, tanker terminals and petrochemical plants associated with
13 this proposal should only be sited and designed after compliance
14 with the State's energy facility siting standards and the Borough's
15 Coastal Management Plan. A separate EIS should be written for
16 each facility. The USGS standards for oil spill contingency plans
17 need to be responsive to the environmental conditions prevailing
18 on the Kodiak shelf. Departmental research and experience on
19 several large spills recently in Alaska indicates that containment
20 and cleanup equipment currently available is not normally effective
21 in greater than six foot seas, one knot currents or fifteen knot
22 winds. Recognizing these limitations, the USGS should not approve
23 any OCS drilling plans that do not meet the following standards.
24 One, sufficient equipment should be available in the lease area
25 to contain or clean up the maximum project spill before it impacts

1 fish and wildlife habitat. Second, the spill contingency plan
2 and equipment must be capable of containing and cleaning up spills
3 under all weather conditions prevailing in the lease area. If this
4 is not possible, drilling and tanker transport must not be allowed
5 during the periods when containment and clean up would be
6 ineffective. Third, all important fish and wildlife habitats in the
7 area should be identified and the spill contingency plan should
8 contain specific provisions protecting these areas. Gathering
9 lines and pipelines in king and tanner crab habitat should be
10 buried to avoid interference with essential crab movements. The
11 regulations for the Fishermen's Contingency Fund need to be
12 modified. The present one hundred thousand dollar liability limit
13 is unrealistic since a single Alaskan fishing vessel may cost in
14 excess of a million dollars. The liability limits should be
15 increased to at least ten million dollars and the procedures for
16 payment of claims must be streamlined to allow fishermen to allow
17 a fisherman to rapidly replace his gear or vessel so that an
18 entire fishing season is not lost. And, we have additional comments
19 in the IS that will be attached in our testimony. And, I'd like
20 to say that...we'd like to emphasize that the Department considers
21 the environmental acceptability of any sale on the Kodiak shelf
22 to be contingent both on the availability of adequate information
23 to assess potential impacts and the adoption and application of
24 the mitigating measures that we've identified here. Thank you.

25 CHAIRPERSON: Thank you. Mr. Jones.

(Trasky's Statement Submitted -
See Addendum)

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1 MR. JONES: You mentioned that if gas is encountered then we
2 should have an EIS?

3 MR. TRASKY: If oil is encountered we should write a new
4 EIS.

5 MR. JONES: Oh, you said gas.

6 MR. TRASKY: Oh, I'm sorry.

7 MR. JONES: Well, in either case, I wanted to call your
8 attention to the fact that you will have a development plan which
9 will go...will have to be approved by all the agencies and, in
10 addition, the Secretary of Interior is mandated to at once...at
11 one time, in each frontier area, to ask for an EIS. We could
12 anticipate almost exactly that he would require one if gas or oil
13 is discovered here at Kodiak and/or Beaufort Sea. And we'll probably
14 have that EIS.

15 MR. TRASKY: That's good.

16 CHAIRPERSON: Any other comments of the panel? Jim Curlin.

17 MR. CURLIN: Just a couple, Esther. This was partially
18 answered. I'd just like to get a little further amplification.
19 With regard to the migratory patterns of the crabs' possible
20 impediment caused by pipelines, I think, Mr. Trasky, perhaps you
21 answered this partially. You...you at least suggested that there
22 was inadequate information, maybe a lack of experimental evidence
23 one way or the other, that it remains an uncertainty as to what
24 these impediments might...or whether the impediments caused by
25 a pipeline are severe enough to be significant. Uh, in your

1 realm of knowledge, any of you at the table, are there any on-
2 going experiments to really get at this? Either State, Federal,
3 University?

4 MR. KAISER: I'd just like to say that the...what we know
5 about crab migrations on the east side of Kodiak Island is rather
6 extensive, covering nearly twenty years of work. What happens
7 when you lay a twenty-two inch pipelines in front of them, two
8 parallel pipelines, I'm not sure whether they're going to be
9 together or whether they'll be spaced...uh... I believe from what
10 I know of their ability to climb or not to climb over those, that
11 it will be an obstruction, whether it's permanent or temporary,
12 whether they can surmount it, I don't have any good data right
13 now, no.

14 MR. CURLIN: It seems a variation of the theme. We encountered
15 the same thing with the TAPS line and the Caribou. All we've done
16 is moved this thing offshore and we have the same kind of un-
17 certainties. And I think we've found....we've found that the
18 Caribou were not as impeded as we at one time hypothesized. And,
19 you know, I agree, it's something that we should all be sensitive
20 to and needs further attention. I just....I just wonder how
21 significant this really might be, and you suggest that there are
22 sufficient uncertainties that may or may not heal itself.

23 MR. KAISER: If you look at the graphic in the written
24 testimony on the shellfish testimony, you'll see areas that I've
25 indicated are major migration routes, and they're all through each

1 of the three tract sections. We're talking about, if it is an
2 impediment, a major disruption of the entire east side populations
3 of both of those species, and perhaps it might be more important
4 for tanner crab than king crab. So, I think it's more than a
5 concern. I would, in my own estimation, guess that it's something
6 that we're going to have to look at much more closely before we
7 lay that line.

8 MR. TRASKY: Well, actually, I'd like to add something.
9 We're talking about very small crab and I think that if this line
10 is not rapidly encrusted by organisms, that there's little chance
11 that those small crab will be able to climb over top of a smooth
12 steel pipeline. It's not a question like the Caribou where there
13 were plenty of opportunities. I think we're talking about a
14 physical barrier.

15 MR. CURLIN: Crab ladders, or something perhaps to get
16 them over. (laughter) One other...I'm not being factitious. One
17 other question. The gentleman on the endangered species. The
18 other day we heard testimony from a representative of Greenpeace
19 that was taking to task BLM for failure to treat adequately the
20 migration routes and the sitings of these species in these waters,
21 and I was wondering if you had reviewed the information provided
22 in the EIS, the graphic information in particular, I believe, and
23 perhaps the narrative that you had already commented on, as to
24 its completeness in terms of sitings. Do you recognize this as a
25 deficiency? Is there additional information that was overlooked

1 that could be included in remedying any such defect.

2 MR. SCHNEIDER: Well, one of the greatest faults in the
3 description of the environment was the whale...particularly the
4 whale siting information. And sitings are really almost meaning-
5 less the way they're presented. Most of the sitings were made
6 from platforms of opportunity, ships that were...or aircraft that
7 were doing something else in the area. The...in many cases, it...
8 the siting information tells you more about where the platforms
9 of opportunity were. Many of the people onboard these platforms
10 were not trained adequately in identifying whales. The graphic
11 on whales...it would be graphic number six, is almost worthless.
12 I would say you could just throw it out, frankly. The narrative
13 section does review the literature and describe whale movement
14 patterns, you know, in somewhat better detail. But they're very
15 general things about the general movement of whales throughout the
16 North Pacific Ocean. The sources that were used weren't specifi-
17 cally looking at the lease areas or even areas very close to them.
18 So, I don't think that the information is available. I think the...
19 I think a better job could have been done with the available
20 information, but I don't think that the information is available
21 to do an adequate job. (Statement Submitted - See Addendum)

22 MR. CURLIN: Thank you very much.

23 CHAIRPERSON: Ray Karam.

24 MR. KARAM: I'd like to follow up, if I could, on the
25 mammals for just a minute. Both the marine and the land mammals.

1 On the marine mammals, we've had some, not a great deal, but some
2 activity off the coast of Alaska in terms of oil and gas explora-
3 tion; and, in the Upper Cook Inlet in production. Uh, is there
4 any evidence there that you're aware of or did the Department of Fish
5 and Game in the State of Alaska attempt to find out if there were
6 significant or unacceptable disturbances of marine mammals in the
7 Northeast Gulf of Alaska during the two years of drilling there?

8 MR. SCHNEIDER: Uh, there really have been no studies that
9 would have told you that one way or the other.

10 MR. KARAM: There's no evidence that there was a disturbance?

11 MR. SCHNEIDER: There's no evidence one way or the other,
12 because nobody...there was...really there was very little done
13 before the lease sale in the Northeast Gulf and virtually nothing
14 has been done after the lease sale or during the time they were
15 drilling. Also, of course, the drilling was...uh...just, you know,
16 a fairly low level and, you know, there could have been impacts
17 there that--

18 MR. KARAM: You said fairly low level, what does that mean?
19 There were--

20 MR. SCHNEIDER: Well, it wasn't...it wasn't a fully developed--

21 MR. KARAM: There were five semi-submersibles working--

22 MR. SCHNEIDER: It wasn't a fully developed field there, I
23 don't think. We're not overly concerned disturbance of a drilling
24 rig, say, sitting there. I think, you know, the seismic activities
25 are perhaps somethings associated with drilling would affect some

1 species of whales. You know, noises in particular. We are concerned
2 about disturbance by aircraft and vessels around hauling areas,
3 and there were have, as I said in my testimony, identified harbor
4 seal mortality associated with some of the pre-lease activities.

5 MR. KARAM: Well, that was my other question. Was going to
6 be on haulout and also land mammals and that kind of harrassment or
7 disturbance. But, going back to the whales for a minute, I guess
8 from what you said, there was no attempt to determine whether or
9 not these large drill vessels in the Northeast Gulf of Alaska
10 really had any effect or, if they did, what effect on the migratory
11 habits or procedures of the whales, is that right?

12 MR. SCHNEIDER: Yeah. There was nothing done, and the
13 opportunity probably wasn't all that good. There are...you may
14 be aware of the studies that have been done in Glacier Bay National
15 Monument where crew ships coming into the bay apparently seem to
16 be disturbing humpback whales in the area. And, that area lends
17 itself to study.

18 MR. KARAM: This is in the Hawaiian Islands, is it?

19 MR. SCHNEIDER: No, no. This is in Glacier Bay National
20 Monument in Southeast Alaska.

21 MR. KARAM: Okay, I'm not familiar with those names, but
22 there is a similar...similar...

23 MR. SCHNEIDER: It's very close...very close to the area.
24 Yeah, there...the larger ships appear to disturb whales. Right
25 now there's quite a controversy as to whether they should allow

1 crew ships into the bay, and, they've just identified the problem,
2 they really don't know for sure what the effects are. Except that
3 in this past year, Humpback whales didn't go into the bay in the
4 numbers that they normally do.

5 MR. KARAM: Are the whales migrating through the bay or
6 collecting there?

7 MR. SCHNEIDER: They go in and feed. Feed in the bay.

8 MR. KARAM: Feeding. Do the whales feed or migrate through
9 the Kodiak area?

10 MR. SCHNEIDER: Well, we know they migrate through it, uh...
11 we really don't know, it depends on what species you're talking
12 about. Undoubtedly, they must be feeding in the area since they
13 move into the area during summer, in many cases, which is presumably
14 is to put on a supply of blubber that would carry them through
15 periods when food is less available. But, really, it really isn't
16 even known...the gray whales which migrate quite close to the
17 coast normally, whether they are feeding on their migration or not.
18 There's some evidence that they do in the Gulf, but it's fairly
19 recent and it's just based on observations of behavior. It's not
20 really a proven fact. The main point I was trying to make is that
21 we just know so little about whales, particularly the larger
22 whales and the ones that are more offshore, that I don't think
23 anybody can made a judgment on these things at the present time.

24 MR. KARAM: Well, along the same line, the harrassment of
25 both marine and land mammals, we've certainly had enough civilization

1 or lack of civilization in this part of the world to have experienced
2 harrassing situations. You mentioned them yourself as far as the
3 seals were concerned in the haulout areas. My question is, are
4 the procedures that are used now to prevent harrassment of say the
5 bears on Kodiak or marine mammals anywhere sufficient to handle
6 this problem? And, you know, if they are, what would be added by
7 oil and gas development that would make the current procedures
8 inadequate or, are we at the limit of control capability? I guess
9 what I'm searching for is some kind of a measure of how much worse
10 our problem gets and why can't we take care of it with they way
11 we've been taking care of it in the past...or maybe the answer's
12 we haven't been taking care of it in the past at all, and five
13 hundred thousand dollars from five thousand very rich hunters is
14 something we want to preserve.

15 MR. SCHNEIDER: Yeah. Let me just address the marine mammal
16 aspect, if I can. Uh, the main reason we haven't...we haven't put
17 in those....those procedures into effect in areas such as Marmot
18 Island, Sugarloaf Island, and the main reason is we have no
19 authority to. We have put out advisories or, in the case of the
20 Round Island, which is an area where thousands of walrus haulout,
21 and that is a State sanctuary, we do have some trespass authority
22 there and we have put measures similar to what have been proposed
23 in the EIS into effect there. Uh, there are problems with
24 enforcing that, but I don't...I think the answer is that we would
25 like to and we have tried to where we have some authority, but,

1 we really haven't done a good enough job.

2 MR. SMITH: I think I can enlarge a little bit on what Karl
3 said there. We do have Fish and Game regulations that prohibit
4 harrassment of big game animals. Uh, obviously, it's pretty
5 difficult to enforce these in remote areas, and we've all...all
6 have experiences with observing aircraft or possibly even partici-
7 pating in helicopter or aircraft activities in harrassing, or at
8 least following animals too closely for the animal's own good. I
9 think what we're looking at is, or looking for, is for some
10 cooperation through this biological task force to get some real
11 strong stipulations, specifically, to the operators that are
12 working on the OCS project. You know, leave these critters alone.
13 And a little bit of self policing, because it's going to be
14 primarily a voluntary compliance situation. We can't, obviously,
15 be out following every animal or every herd around.

16 MR. KARAM: The state does have some authority to lay
17 sanctions on people that you catch. I mean, you could say that
18 nobody buzzes the brown bear, and if somebody gets caught buzzing
19 a brown bear, you can do something to them, I assume. Is that
20 correct?

21 MR. SMITH: That's substantially correct.

22 MR. KARAM: Thank you very much.

23 CHAIRPERSON: I'd like to follow up on that. You do enforce
24 the law uniformly. Are you implying that you would make a different
25 rule for hunters who worked on oil wells, than you would for hunters

1 who caught bottomfish?

2 MR. SMITH: No, actually I wasn't even speaking about hunters.
3 I was mainly just talking about the increase in traffic, uh...you
4 know, additional helicopters and, since it's already illegal to
5 use helicopters in hunting activities anyway.

6 CHAIRPERSON: I'd like to ask generally, have you given any
7 thought...has the Alaska Department of Fish and Game given any
8 thought to the impact of increased population from an expanding
9 bottomfish industry in Kodiak on the terrestrial animals, also on
10 the other resources? What are you doing about it I guess I should
11 say? What kind of plans do you have to respond to that population
12 increase?

13 MR. TRASKY: Well, of course, the bottomfish industry is
14 in the early stages of its development and the...I guess, you know,
15 the economics are not that we anticipate a very large explosion...
16 population explosion. Obviously, we would like to see the same
17 kind of measures implemented. The main problem that we see is the
18 type of thing that occurred on Tugidak Island where helicopters
19 from an exploration company repeatedly buzzed the colony, caused
20 fairly large, seventeen percent mortality, in the pups. And what
21 we would like to do is have the cooperation of the Federal Govern-
22 ment which is going to lease OCS lands in Alaska for the national
23 good; we'd like to see the Department of Interior ask its sister
24 agency, which Commerce, I guess, that controls FAA, to put these
25 areas off limits to this type of thing. And that would put some

1 real teeth into it. That a person would lose his pilot's license
2 if he went in there. It would be clearly marked on the air charts.
3 Because, if, we can get them for harrassment, but they're going to
4 come back and say "well gee, I didn't know about it." But if it's
5 clearly marked by FAA and they put it on as a notice to pilots, we
6 think that there'd be a considerable amount of enforcements. And
7 there's many of these areas where it's clearly warranted. We're
8 talking about the largest seabird colonies remaining in the United
9 States.

10 CHAIRPERSON: That is something...a remedy that you could
11 pursue whether or not there was any OCS development, and which,
12 certainly we would support you.

13 MR. TRASKY: Yes we could. But, certainly, we're looking
14 at a very eminent threat from...and we know this is a very...the
15 type of support activity with this type of thing are very intensive.
16 It's a very wealthy industry that puts a lot of money and capital
17 into this type of thing. You have a lot of this going on, at one
18 time. So we see this single thing as probably a bigger threat in
19 extremely remote areas, like Norton Sound, where no one else ever
20 goes. That we're going to all of a sudden have a thousand fold
21 increase in activity. This is an immediate problem.

22 CHAIRPERSON: I understand. I'd like to clarify one thing.
23 I think it was you, Mr. Kaiser, you recommended Alternative Six,
24 and yet the State's position and the other panel members recommended
25 Alternative Four.

1 MR. TRASKY: Well, our...our position is Alternative Four with
2 some supplemental deletions. And the exact configuration is
3 included in our written testimony.

4 CHAIRPERSON: One other question. We work very closely with
5 the Alaska Department of Fish and Game, and I'm sure you've made
6 available to us all of the information and statistics that you have
7 that would correct any information that we have that you see is
8 erroneous. Is that correct?

9 MR. TRASKY: We'll make all that information available.

10 CHAIRPERSON: Okay, thank you very much. Any other comments
11 or questions? Mr. Eddy.

12 MR. EDDY: One short question. One of you gentlemen, I'm not
13 sure which, identified the problem of possible chronic pollution
14 and its effects, and I believe felt the EIS was not addressing it
15 adequately. Uh, given the existing intensity of small and medium
16 size boat traffic in this area here, has there been any effort to
17 either, through intensive study or empirically observe the current
18 situation with chronic pollution and whether that has had any
19 particular affects on the...on existing populations and what you
20 feel the additional increment that might be involved with OCS-
21 related activities might involve?

22 MR. TRASKY: Maybe I can answer that. The Department of Fish
23 and Game does not have the expertise or the money to do this type
24 of thing. We know that this is a problem because of recent publi-
25 cations that were made down in, I believe, in Timbolea Bay in Texas.

1 Now when we're talking about chronic pollution we're talking about
2 formation waters which may not be associated with gas production,
3 but they may be...but, there they demonstrated, and this wasn't
4 included in the...it's in our written testimony, they definitely
5 demonstrated that there were significant differences in benthic (sp)
6 populations at varying distances from the rigs and that the area
7 near the rig, near the point of discharge is depopulate(sp) and it
8 increased at some distance, about a half a mile away it had reached
9 normal level. This is...there are several papers documenting this.
10 We've provided it in our written testimony.

11 MR. JONES: Lance, this is water that produced with the oil?

12 MR. TRASKY: Right. Produced waters, yes.

13 MR. KARAM: May I...may I say something. Are you sure it
14 was formation waters that they were testing and not drill cuttings
15 and drilling fluids?

16 MR. TRASKY: No, it was absolutely, it was formation waters.
17 We...we have a report out on this, we've researched it very
18 carefully, and like I say, it's introduced--

19 MR. KARAM: Because your description of what happens around
20 a platform sounds very much like the studies that have been done
21 on drilling fluids and not on formation waters.

22 MR. TRASKY: No, it was done by Mr. Makin of the University
23 of Texas and Tim Leervay, and it was done with formation waters,
24 no question about it.

25 MR. KARAM: Yes, right. I'm familiar with it. Right.

1 MR. JONES: These are sometimes highly saline, very highly
2 saline.

3 CHAIRPERSON: Any other comments. Gerry Reid.

4 MR. REID: Yes, I wanted to comment.

5 MR. JONES: Plus some oil.

6 CHAIRPERSON: I'm sorry, Joe.

7 MR. REID: Uh, I wanted to ask Roger if he would care to
8 expand a little bit on his comment that...and I recognize this is
9 a real problem on the incremental loss of habitat through an acre
10 here and an acre there; and ask, does the Department have some
11 plan or program or would it be through Coastal Zone Management or
12 somehow to...that would improve the difficulty...or not...that
13 would take care of the difficulties with this problem by delaying
14 this particular action?

15 MR. SMITH: I'm not sure I completely understand your question,
16 there, Gerry. Are you asking that, will delaying this sale make
17 a difference? Is that the question, I'm not--

18 MR. REID: Yeah, that was my understanding of what you were
19 saying was that you took exception to the EIS because it had used
20 the terms that impacts or loss of habitats would be minimal and
21 would not be significant and you maintained that it will be; and
22 then the recommendations to delay the sale. And I wonder of there's
23 some sort of program that is going to look at this particular
24 problem and maybe mitigate it?

25 MR. TRASKY: Gerry, maybe I can answer that. The Alaska

1 Department of Fish and Game, through the Coastal Management Program,
2 is providing technical assistance to many of the Boroughs in
3 developing habitat protection plans for their Borough. In other
4 words, allow them to have a reasonable economic development for
5 their area, but still maintain the fish and game resources the people
6 on for their livelihood and their recreation. Now, the Kodiak
7 Borough has not done this yet, but we hope to provide them similar
8 services.

9 MR. SMITH: I'd like to make one further comment there, Gerry.
10 I had a...one of my original drafts of my statement, I did put a
11 comment in there addressing this business of looking at all the
12 cumulative impacts and my comment was that there doesn't seem to
13 be any governmental or private agency that's willing to undertake
14 the responsibility of looking at cumulative impacts of all these
15 various projects and activities which each only use a small unit
16 of habitat. I don't know anybody that's doing that, other than
17 possibly some of the real big thinkers, you know. Some of the
18 think tanks. We're not doing it on any governmental level, to my
19 knowledge.

20 MR REID: Thank you.

21 CHAIRPERSON: Thank you all very much. I've asked the
22 indulgence of the other witnesses because we've taken a bit longer
23 for this panel than we were scheduled. I'm going to ask, is Lin
24 Stafford here? Dave Herrnsteen? Marion Johnson and Arthur Johnson
25 are our next scheduled witnesses. Do you mind if we take about a

1 ten minute break and then come back in that order? Okay. Thank
2 you very much. We'll take a ten minute break.

3 (OFF THE RECORD)

4 CHAIRPERSON: Thank you very much for your indulgence. Lin
5 Stafford? Welcome Lin, and thank you for letting us take a
6 coffee break on your time.

7 MS. STAFFORD: I needed the fresh air, thank you. Well,
8 Mrs. Wunnicke, welcome back to Kodiak.

9 CHAIRPERSON: Thank you.

10 MS. STAFFORD: Distinguished panel. My name is Lin Stafford.
11 I don't have any expert testimony to offer and therefore I will
12 try to keep my remarks brief. I've been advised by friends that I
13 should confine my comments to the contents of the DEIS. I was told
14 by a well-meaning person last night that if I came up here and told
15 this panel that I didn't want oil development in Kodiak, that it
16 would discredit my entire testimony; that I should stick to the
17 official position, that of not opposing offshore oil development
18 as long as our concerns are addressed. I feel that saying those
19 things is like feeding steaks to a lion hoping he'll eat you last.
20 I cannot speak for anyone else in Kodiak, only for myself and my
21 family. I am opposed to any offshore oil and gas development in the
22 Kodiak area. I've lived in and around oil towns all my life.
23 I've lived in Alaska pre-post pipeline and I've never seen a
24 community impacted by oil development that was not ruined. I didn't
25 say changed. I said ruined. And that's only my estimation, of

1 course. Before I returned to Alaska in 1975, I lived in a tiny
2 town in northeastern Utah. It had eleven hundred people in it
3 when I moved there. Within nine months of a decision to drill a
4 few exploratory oil wells there, the population tripled. There was
5 no housing available so the oil field workers brought in trailers.
6 Every vacant lot in town had a jerry-rigged trailer parked on it.
7 The Governor of Utah referred to Dushane as an aluminun ghetto.
8 Yes the roads were paved in places and a swimming pool was built
9 and we were reminded every day by oil people where the money had
10 come from to do those things. We had a boom. Business prospered,
11 property values soared, new businesses were built, old ones
12 expanded. We had two and half of the peachiest years you can
13 imagine. When it was discovered that the field was not economical
14 to produce, the oil people left. And today, Dushane is virtually
15 a ghost town. Houses are standing empty, business are going
16 bankrupt one by one, and it didn't go back to being the nice quiet
17 little town it was before. You might rightly ask what Dushane,
18 Utah has got to do with anything, and I would say not much, really.
19 I feel sorry for the people there who lost their nice little town,
20 but nobody ever heard of Dushane and nothing grows there but a few
21 cottonwoods and some Russian Olive. You could not compare it to
22 Kodiak in any way, except to note for comparison the magnitude for
23 potential for ruining the second largest fishing port in the country.
24 You've heard, no doubt, many times during this hearing that the DEIS
25 is deficient in many areas. I don't think it was because the people

1 who drafted it didn't try to do a good job. I think the concerns
2 were not addressed in many instances because they cannot be
3 addressed. There's no way to evaluate the potential for disaster
4 in this community. We were told last week by representatives of
5 the oil industry that we didn't have to worry much about a spill
6 occurring here, like the one in the Gulf of Mexico. And the
7 comfort we were offered~~ed~~ was that the spill there was caused by
8 faulty judgment on the part of the platform manager. Human error.
9 The platform manager was not an American. Recently, the Lt.
10 Governor of our state visited here and when I asked to talk to me
11 about the OCS process, he said that these hearings were something
12 we had to prepare for and go through with, but that in some cases
13 they were more or less a formality and didn't carry much weight.
14 Not for the first time it made me feel a kinship with the American
15 Indians who were faced with people coming into the land they
16 called their own. People who did not understand their way of life
17 or hold it in much esteem. People who came with promises and
18 panaceas and platitudes. Washington, D.C. is a very long way from
19 Kodiak. When I lived there, Alaska seemed as remote to me as
20 Katmandoo, and Kodiak was a place where film was processed or bears
21 or something like that. Again last week we were told by the oil
22 company representatives that there wasn't any place in the country
23 that didn't feel their own geographical location should be pre-
24 served. But that the national need was going to have to supercede
25 the local preference. I hope that our Lt. Governor was wrong. I

1 hope that you will listen to what we say here and take into con-
2 sideration that long after the last drop of oil has been wrung out
3 of the ground and the last wheel in america has been turned by an
4 internal combustion engine, that the people in our country are still
5 going to have to eat. Some day the last of the oil will be gone,
6 but our fisheries will last if they are properly managed and
7 protected. I also recently spoke with former Governor John Connally
8 in a press conference and he said that he recognized the importance
9 of Alaska to the rest of the country. He said, and I quote, "Alaska
10 has almost limitless resources that quite frankly the rest of the
11 country is simply going to have to have in the next few years."
12 Ladies and gentlemen, I resent that attitude. I sincerely appreciate
13 the opportunity to share my feelings with you today. Please
14 remember when you leave here that this is our home and not a super-
15 market for carpetbaggers.

16 CHAIRPERSON: Thank you Ms. Stafford. Any comments? Ray
17 Karam.

18 MR. KARAM: Well, I just wanted to say that I appreciate
19 your frankness and I'm not a carpetbagger. (laughter)

20 MS. STAFFORD: Well, I was talking about Governor Connally.
21 (laughter)

22 CHAIRPERSON: Any other comments? Jim Curlin

23 MR. CURLIN: Just one. I certainly didn't come to Alaska to
24 tell you that your Lt. Governor was wrong, but I certainly hope
25 that the outcome of this will prove, and I'm not guaranteeing any

1 results, you understand, because we can't make that kind of a
2 committment, but, I hope that...I hope that we can demonstrate to
3 you that your concerns are transmitted into the decision process.
4 That your concerns are aired....that within the departmental
5 decision process, and we didn't come out here to sit here and lead
6 you down the primrose path with a lot of promises, because you
7 notice we haven't made any and we can't make any. We came out here
8 to hear your concerns, so I would say to your Lt. Governor that this
9 process is sincere and it's meaningful and that's why we are here
10 today.

11 MS. STAFFORD: I hope so. And thank you.

12 MR. CURLIN: Thank you.

13 CHAIRPERSON: Thank you, Lin. Dave Herrnsteen. Thank you
14 for waiting Dave.

15 MR. HERRNSTEEN: I think I followed the right person.
16 (laughter) And time, as far as I'm concerned is no problem. I'm
17 used to going...I've never talked before a panel like this, but
18 I'm used to going to Fish and Game Board Hearings in Alaska for
19 many years and nobody's ever cut off and if the public hearing
20 lasts a day or two days or a week, we all waded it through. And,
21 so, the importance of this to my life and my town is such that I'm
22 not worried about the time. My name is Dave Herrnsteen. I'm 38
23 years old. My family moved to Alaska in 1961. I graduated from
24 Standford University in 1963 with a Bachelor's Degree in Economics.
25 I came to Kodiak in '66 and I've been fishing here ever since.

1 I've been involved in various fishermen organizations in various
2 capacities since the early seventies. Uh, I'm presently Secretary-
3 Treasurer of the United Fishermen Marketing Association. I'm a
4 member of the Kodiak Island Borough Assembly, but my views are my
5 own. I have a wife and two kids, I have a fishing boat. We bought
6 our first boat in '73 and sold it two years ago and bought a forty-
7 eight foot boat which is considered roughly a medium-size boat
8 around Kodiak. Uh, I'm going to start off...I want to apologize
9 for not having any written testimony. I thought our season would
10 be over by now. The area I fish, my season ends tomorrow, so I've
11 been very hectic lately trying to finish off my season and was
12 unloading crab and pots this morning. And I have to go out in the
13 morning and I haven't had time to...I reviewed this quite a bit in
14 December and early January, but I haven't had time to put together
15 a written presentation. Where do you start? Well, the cover.
16 It looks nice, it's pretty and an attempt was made to relate it
17 to Kodiak. King crab and an eagle and a fish on it, but the boats.
18 The boats in the picture are salmon trawlers. Salmon trawling is
19 illegal in Kodiak. Those boats are in southeastern Alaska.
20 (laughter) Salmon trawlers range in the hundred thousand dollar,
21 one hundred and fifty thousand dollars range, you know. Our boats
22 are a million and million and a half dollar range. My boat's not
23 that high, but there are many boats in town that way. And, I'd
24 say there's probably a lot of intent done in here to do well. Some
25 of it, I don't think, was intended to go right. Uh... June 3rd,

1 1979, that well blew up in Mexico. It's still going. I have a
2 couple of...you know, I realize it's not under the American
3 jurisdiction and the oil's going on Texas beaches but I'm sure if
4 the technology existed for that well to be stopped and that oil to
5 be stopped and the oil to be cleaned up, that those Texans would be
6 keeping it off their beaches. But they can't do it. We've talked
7 in this about three and ten and thirty-day scenarios for oil spills.
8 Well, it's been two hundred and seventy-five days right now and that
9 well is still going. I keep...you know, all I know is what I read
10 in the newspapers, mostly, on the subject. And December New York
11 Times article that was in one of the Anchorage papers talked about
12 how it started off at thirty thousand barrels a day and uh....cause
13 of bad weather and the different things they tried. I won't go
14 into the details as to how they tried to control that well. Just
15 last Saturday in the Anchorage Daily News there was another article
16 where the Mexican official said, "Well, it was not under control
17 yet." And they're not even speculating when it would be under
18 control, although they have decreased the flow. You've been asking
19 us why we want a delay. Or you say, "what do you mean, you feel
20 you want to get along with the oil industry and you're not against
21 oil and gas development, and if we have an oil resource here, you
22 know it belongs to the nation and not just to Kodiak." And the
23 reason I voted for no sale is because oil industry isn't ready for
24 us. They're not ready to co-exist. They don't have the technology.
25 When you can come out with a DEIS and say "yes, we can safely do it,

1 we're not going to harm your resource, we have the controls, we
2 have a track record of oil well blowouts where now they don't
3 happen like they used to and we can control them in the conditions
4 we have." Five foot seas for oil spill. It's a rarity when I'm
5 fishing in five foot seas. I fish off Cape Chiniak, you got eight
6 tracks exactly where I fish for both my king crab and tanner crab.
7 And, you know, my living comes from right there. I know how the
8 tides are, I know how the currents go, I watch the whales go back
9 and forth. The whales aren't my major concern. There's, you know...
10 uh...I...I'm being asked to have my lifestyle, my economy and
11 everything I've worked for for fourteen or however many years it
12 is now, endangered and jeopardized because the nation needs oil.
13 We're twenty second on the.... twenty-fourth, or whatever it is
14 on the list of priorities as to the deal. You know, now they say
15 it's natural gas. I think a lot of Alaska's natural gas is going
16 to Japan right now and the only reason our oil probably isn't going
17 to Japan right now is because someone put a little rider in on that
18 bill authorizing the pipeline saying it wouldn't go to Japan without
19 Presidential or Congressional authorization. Uh... I took a vacation
20 last fall. I went outside for the first time in a couple of years.
21 And I was shocked. You know, I didn't realize. I just built a
22 home, it's well insulated. People that don't...most of the homes
23 in America aren't insulated. We can send men to the moon, but we
24 can't insulate our own homes, these older homes. People still
25 driving around in big cars, one person. Uh, I know how the Government

1 has worked in my business, to create inefficiencies, and fuel
2 inefficiencies also. You know, I don't want to get into that.
3 I'm sure you're not interested. But, if it was just a matter of
4 yeah, we're going to sacrifice, we're going to sacrifice your fish,
5 we're going to sacrifice your environment, we're going to endanger
6 and sacrifice your lifestyle because it's really in the national
7 interest. If I really believed that it was there, fine. And on
8 the graph on page, oh it's like forty four, Table 2.C-1, where it
9 says the economic key scoping issues, Environmental Impact
10 Comparative Analysis. The big square major impact, I don't know,
11 maybe this has all been mentioned before, I haven't...I wasn't here
12 this morning and I wasn't in Anchorage. The economic impact of
13 the alternative of no sale on the national economy would be a major
14 economic impact. Now that's a gross exaggeration, you know. This
15 dinky little sale in Kodiak, whether it goes or doesn't go...in
16 fact, I think it would create a disservice in that it's...I think
17 for a long time and probably still there's been a problem with the
18 Government getting across to the American public the idea that we've
19 got an oil problem and that we don't have enough oil to go around.
20 And there always was the idea that well...if you just... and the
21 oil companies say if you just turn us loose, we'll give you plenty
22 of oil and people feel they didn't have to conserve. And everytime...
23 I understand the need to say politically, gees, we're opening up
24 all these areas for exploration; this is your hope, you know. I
25 feel that by...sure it'll sound good. Yeah, we're opening up Kodiak

1 for oil lease sale even though it's such a small, eight percent
2 chance, or whatever, significant find. It's just...it's just going
3 to hinder the efforts to conserve. If it's a misconception given
4 out or conveyed to the public that, you know, we're conserving oil.
5 I'd like to...as a fisherman, when I'm fishing it's like I don't
6 know if any of you are hunters or go deer hunting; but if you go
7 hunting deer you look at a mountain side, and you depend on what
8 the time of year it is, and where the snow is and where the feed
9 is and you decide which way you're going to go hunting or go walking.
10 You know, you can't cover the entire mountain. So, you've got to
11 use your judgment and imagine the hills and valleys and all these
12 things in the mountain. That's the same way I fish. Except I'm
13 imagining the bottom of the seabed. I'm using my instruments,
14 charts and everything else to figure this out. And so, even though
15 all the ocean looks flat to you or wavey or whatever it is out
16 there, to me I'm picturing the bottom of it. And, uh...just like
17 I can see places on the Island, on the shoreline, you know, where,
18 after the '64 earthquake the land sank, the hills fell down, the
19 different things that happened. I picture the same thing under-
20 neath. That's the way I'm used to thinking. Now you take
21 a production platforms and you take pipelines all the way around
22 there and you have an earthquake and all these shocks and, you
23 know. Steel's fragile. I've got a steel boat, but it's real easy
24 to put a hole in it. You know, I haven't done it. But, it's
25 real easy to do. And they go down real fast and there's no question

1 in my mind...you know, I read where the leaks in the pipeline
2 because of the slight subsistence to the ground here or there.
3 You put all of those wells or however many wells, or pipelines on...
4 under the ocean and you have an earthquake and you tell me that
5 it's not...we're not going to have spills. You...you know, I don't
6 see the assurance in here that, yes, all of these check valves are
7 going to work and everything's going to be stopped and so there's
8 only going to be minor pollution. In fact, the DEIS say's there's
9 going to be chronic pollution. And it still only talks about
10 thirty day scenario on it. I'm used to, you know...a fisherman...
11 you know, I'm a self-employed businessman. I'm used to all of the
12 uncertainties. There's all sorts of variables in our business,
13 from prices, markets, the supply of fish, each year class fish
14 comes in cycle, or each year class can vary according to the water
15 temperature, according to all these different factors. It's a very
16 critical situation. When the king crab, for instance, when they...
17 when their eggs go out into the water stream, and I don't know how
18 long they live in the water stream before they finally get big
19 enough that they adhere themselves to something and start growing.
20 And they have their whole life cycle. Any one spot in there is
21 very critical. All the fish are the same way. And just the water
22 temperature, because of a couple of warm winters the past few years,
23 the water temperatures have gotten warmer, that's affected our
24 crab, believe it or not. A good hearty big king crab and, you
25 know, it affects these things. All these things are critical. And

1 we're used to the unknowns, but then, to have the additional
2 unknown placed in there, that yes, we have...first of all, you
3 know, you're biological unknown. Yes, there's a good chance we're
4 going to have a big spill. Who in the world...this compensation
5 idea...everytime they say, well, we'll compensate you if there's
6 a spill. How you going to prove, or how you going to even know
7 or even estimate which year class you hurt, or how many year classes
8 you hurt, and what percentage of them and so that when five years
9 come the line and that year class doesn't show up and we're really
10 on a....originally, when we started in the fishery, some of the
11 crab and some of those crab fishers particularly had older age
12 classes. You're on virgin stocks. Now we're not on them anymore.
13 We're under crude stocks. Every year you're legal size crab comes
14 in, and....but how in the world are you going to compensate the
15 fishermen. I mean, you're not... it can't be done on a hundred
16 thousand dollars limit or something. How you going to decide
17 which fisherman. It's a very touchy problem. I mean, we have
18 trouble getting compensation for gear loss. One of the other
19 things...gear loss...I don't know how...people might think of a
20 lobster pot or something, a little wooden box. Our crab pots cost
21 about four hundred, four or five hundred dollars each, you know,
22 with lines and buoys. You have your pipeline... I may be rambling
23 but I'm just trying to think of some of the questions that came
24 up earlier with the pipeline and tanner crab and king crab. Tanner
25 crab are particularly susceptible to the slope of your pot, the

1 slope of your tunnel as to how they...and what size web you have
2 on them, as to how they fast or if they can even, crawl into the
3 pot. And crab are very sensitive to slight differences in...in...
4 if you can go along and it might be steady sixty fathom or whatever
5 it is and all of a sudden you go sixty one fathom for a little
6 bit and go back to sixty fathoms. Maybe that sixty one fathoms
7 is where you're going to find them. Or if you're going up a bank
8 and a lot of times you fish on the banks because they have the
9 greater tide and circulation, you're going up the bank gradually
10 and then there might be a little place that's a little bit sharper
11 on the bank and then it goes up more gradually, but then they'll
12 congregate at that kind of spot, where there's a certain change.
13 A little indentation or a little exception to the rule. And, uh,
14 I don't think...I think they'd have a heck of a time crawling over
15 steel pipes. And, the problem is if they do congregate near that
16 steel pipe if their not buried, and I come along and drop an eight
17 hundred or four hundred pound crab pot on top of them or trying
18 to get near them, you know, the odds are pretty good I'm going to
19 be targeting on that pipe. And, that doesn't make much sense. So
20 the pipes...you know, to me it's assumed that the pipes would have
21 to be buried. The other...this...to contain oil in seas under...if
22 you can only contain it in seas up to five feet, you might as well
23 forget it for this island, you know. It's just, like I say, a
24 super day when you only have five foot seas. In the summer time
25 you have periods like that, and you always occasionally have periods.

1 But the percentage of the time, there might be thirty percent and
2 what's thirty percent? That's not a....I don't know what the
3 percentage is. This...you were talking about bottomfish, and,
4 you know, our fishing industry is in a... oh, it goes up and down
5 like everything else. Right now we're in the down time. Our fish
6 prices have gone down while our expenses have gone up, and..and..
7 right now there's a lull in some of our stocks and the pros and
8 cons....not the pros and cons, the ifs and whens of bottomfish is
9 a very nebulous thing. The economics are very strange. It's pretty
10 hard for a plant to show a profit, in fact they can't do it really
11 right now. But, uhm... I remember when the pipeline was first
12 started over in Valdez. Or something in Valdez started the boom
13 and there's a company here in town, B and B fisheries, owned by
14 Tyo Fish Company, it was the first Japanese fish company, I think,
15 in Kodiak, as I recall, and they had started a plant over in B and B
16 and I remember talking to the Superintendent of the plant, because
17 right after the pipeline started, they closed down the plant over
18 there. Right after the construction started. And I talked to him
19 when he came back and he said he only went over to clean up the
20 plant. And this was back when the canneries were paying three and
21 a half or something an hour. He said, "I couldn't...I had a hard
22 time at even getting some high school kids to clean up, to help
23 box up materials we were shipping out of there for twelve bucks
24 an hour because that was the state Valdez was in." And I don't
25 expect that kind of boom, that kind of a rapid thing like the

1 pipeline construction was over there to come to Kodiak in quite
2 that same degree. But, it's...it gives an indication, and I've
3 got nothing against some high school kid making twelve bucks an
4 hour if he can. And if it's going to, you know, be a desirable
5 thing for him or anyone else. But you take that in an economic
6 comparisons, and we've had some fishing years where you've had
7 big years and you've got bad years. I mean, you got both. And
8 we're used to both. And,...but that kind of...that kind of...uhm..
9 economic disruption would really make it difficult for a company
10 trying to develop a bottomfishing. And...and...some...a marginal
11 kind of economic operation as developing the bottomfish around
12 Kodiak. And, uh, let me see if there's...

13 CHAIRPERSON: Can you sum, Dave. I hate to cut you off, but.

14 MR. HERRNSTEEN: Yeah. Yeah. I'm just trying to see if
15 there's any other notes I have. Well, this oil thing. I guess
16 it's...there's nothing else that can affect my life or disrupt
17 my life or the investment I've put in my home and my boat and my
18 family more than oil. And it's...I could see this coming for a
19 long time. And, whenever I voted for President, the main thing in
20 my mind was whoever that President would be, what his position
21 would be as far as the likelihood of being going slower or going
22 fast on drilling offshores here. Yeah. Bottomfish...you may ask
23 some question about bottomfish and it would have an economic
24 impact. We don't...don't use too many planes and things like that
25 in the...in looking for bottomfish, so there are a lot of planes

1 for the salmon fishermen nowadays, and, uh, that...I don't have
2 any...I don't have any written stuff and that pretty much...those
3 are the things I had in mind.

4 CHAIRPERSON: If you want to prepare a written testimony,
5 Dave, uh, before the fourteenth of March, I'd be happy to receive
6 it.

7 MR. HERRNSTEEN: Yeah, I had read the...I had gone through
8 the draft that the Borough...the position the Borough had made and
9 though I haven't gone through the final revised draft and, maybe,
10 if I get a chance I'll do that and go through that again. Like,
11 I just....do want to clarify, though, that I feel that the most
12 important thing is that the oil industry...I don't have the right,
13 obviously, to say that that oil, if there is any, or gas shouldn't
14 be taken and developed. But I do feel that I have the right to
15 say, "Yes, the safeguards exist and the technology exists, so we
16 can do it properly." That's why I think it's kind of hard to say
17 to the Borough, "How many years delay do you want? What do you
18 mean, you're not against it? But you want no sale or you want a
19 delay." And the state said three to five years, I don't know how
20 the... I don't see how you can say a figure...how we could say a
21 figure...how the state could say a figure, how anybody else...it's
22 up to the industry to improve the technology and to show a track
23 record. And when that well's still blowing out... it's still
24 going out today down there. I remember the one up in Cook Inlet.
25 I thought it was a gas well. I never seen the big flame, back in

1 the early sixties, and uh, that was stopped, I guess. Cause they
2 put it out. But, as long as that one's still going down in Mexico,
3 American technology and Red Adair or whatever his name is, and all
4 those guys can't stop that thing, how can I, as a fisherman, feel
5 safe in saying, "Yes, we're ready the oil industry. We'll sacrifice
6 the disruption and everything else because it's in the favor of our
7 country." And, I remember one time five years ago, or whenever it
8 was, there was a group of oil men that came to town and had a talk
9 and then one man said, "I hope you realize that...you ought to
10 realize, we might not find oil if we start drilling." And I said,
11 "I sincerely hope you don't find oil." And he was taking back. He
12 thought that wasn't very patriotic or anything. (laughter) And,
13 uh...but that means the chances of chronic pollution are a little
14 bit less.

15 CHAIRPERSON: Thank you Dave. Any comments for Dave?

16 MR. JONES: Dave, I had the same thing told to me over at
17 Yakatat. They thought it was all right if we drilled, as long as
18 we didn't find any oil out there. Uh, I wanted to just make one
19 remark about the Mexican oil spill. Uh, we don't think that they
20 have the strict rules and regulations that we enforce on our oil
21 and gas operators, and I don't think that they have the people nor
22 the techniques to enforce the regulations the way we would be
23 on an operation out here off your coast.

24 MR. HERRNSTEEN: They...they had a blowout. Now, as I
25 understand it, and this article went into the types of attempts

1 they had to take care of the blowout. It..they put the little steel
2 balls...and they tried the sombrero. The sombrero was partially
3 working. And you know there's been a lot of articles on this in
4 the fishermen's papers too. And I guess there are a bunch of
5 congressional hearings back in Washington, D.C. where they've sort
6 of said there's almost a coverup. And, I...I believe its the
7 technology. I mean, you're going to have human error anywhere.
8 The thing is, once you get your mistake, how do you stop it? I
9 mean they said the same thing about...about nuclear power plants.
10 The nuclear power plants were failsafe too. But...but, I don't
11 think the technology exists to...well, it hasn't been proven to
12 me from everything that I can gather that it exists to stop it.

13 MR. JONES: Well, we can't guarantee that it wouldn't happen
14 somewhere on the U.S. OCS. So far, there hasn't been an exploratory
15 well, an oil well blowout, since the Santa Barbara occurrence in
16 1969. There's been gas wells that have gotten away temporarily.
17 Some of them have...some of them have shut themselves off by the
18 bridging in the hole. But, there's never been one single oil
19 exploratory well. There's been some wells drilled where they were
20 drilling several wells on a platform. One well was drilled when
21 there already twenty wells completed and doing some mechanical
22 things there and then the well caught fire. But, on the exploratory
23 phases, there's never been an oil well, except the...well, the
24 Santa Barbara was not really an exploratory well. It was number
25 twenty four well on the platform. Number twenty two, excuse me,

1 But, there's no way that we can assure that...assure you that it
2 won't happen. But I think that we have the best regulations and
3 I think we have the best record for it that we can assure you that
4 everything will be done to keep it from happening. That's all I
5 wanted to say.

6 MR. HERRNSTEEN: Well, uh-huhh, I don't have the same
7 assurance in Government regulations, I guess--

8 CHAIRPERSON: Okay. Thank you very much, Dave. We appreciate
9 your coming. Marion Johnson representing the Kodiak Historical
10 Society. Welcome.

11 MS. JOHNSON: Good afternoon.

12 CHAIRPERSON: Thank you for waiting.

13 MS. JOHNSON: I would like to thank you for coming here to
14 this public hearing. My name is Marion Johnson and I'm the Director
15 for the Kodiak Historical Society. The society is a non-profit
16 organization that manages the Baranof Museum. The museum is in
17 the Erskine House, which is a National Historic Landmark. The
18 National Register of Historic Places is the official list of the
19 nation's cultural resources worthy of perservation. Historic sites
20 or cultural resources are my concern and the impact on them from
21 the oil and gas lease sale No. 46. The impact statement addresses
22 historic sites on pages 130, 131, and 134. For a long period of
23 time Kodiak Island has been inhabited by people living along the
24 coast. Sites are found in these locations. They would be adversely
25 effected if an oil spill occurred which contaminated them. There

1 is the possibility that potential sites will not be identified or
2 preserved in time as this sale comes up in December of 1980. The
3 study considers moderate impact on historic site that are already
4 designated at the time of writing. We are asking that sale
5 requirements be considered carefully with regards to existing
6 National Historic Sites and potential sites. That's it. Are
7 there any questions.

8 CHAIRPERSON: Thank you very much. Any comments of Ms.
9 Johnson? (no response) Oh, Jim?

10 MR. CURLIN: I just have one. Has your worked progressed
11 enough, have you had the resources to essentially identify the
12 historic sites you're talking about throughout the Island now,
13 the Coastal ones at any rate?

14 MS. JOHNSON: Okay. My feeling on it...I've been connected
15 with historic things in Kodiak for about eleven years, I've lived
16 here twenty five years. The State of Alaska has had a preservation
17 officer only for ten years. We have a hundred and twenty national
18 historic sites in the whole state. I have the feeling we are just
19 on the threshold of identifying them. We have never spent a lot
20 of time and funding on this process, partly because our population
21 is small, our area is vast, it's one of those things that a lot
22 of people are not concerned with...or...until it becomes known to
23 them. We need more time for identification and education on
24 historic sites.

25 MR. CURLIN: Thank you.

1 CHAIRPERSON: Thank you very much Ms. Johnson. Mr. Arthur
2 Johnson representing the Chamber of Commerce?

3 MR. KRUZ: I'm not Arthur Johnson. Arthur Johnson was called
4 out of town at the last minute and I'm substituting for him. My
5 name is George Kruz. I'm the managing Director of the Kodiak area
6 Chamber of Commerce. Kodiak Chamber represents some one hundred
7 and twenty business and individuals in the Kodiak area and I'm
8 representing it's members in this statement. This past monday,
9 March 3rd, the Chamber's Board of Directors passed a resolution
10 which has been forwarded to the Secretary of Interior urging the
11 Secretary to cancel or delay the proposed oil and gas sale...
12 proposed oil and gas lease sale No. 46 scheduled for December, 1980.
13 Copies of this resolution are available and a copy is also
14 attached to this statement. I'll not detail in this testimony
15 reasons for the Board's decision to oppose the lease sale, because
16 they are substantially the same as you have heard and will hear in
17 the Kodiak Island Borough and other testimony. Essentially our
18 opposition is based on deficiencies in the current Draft Environ-
19 mental Impact Statement and not upon the fact that the Chamber of
20 Commerce is opposed to the development of oil and gas in the
21 Kodiak Shelf. As a matter of fact, I would venture to say that
22 most of our members would support any economic enterprise which
23 would potentially boost the level of economic and business activity
24 in our community, as long as it does not harm what we already have.
25 The problem today is, that based on the current DEIS, Kodiak's

1 primary industry, fishing and all of its derivatives are simply
2 not protected. The Chamber seeks to find a solution that would
3 allow the development of Kodiak's oil and gas potential in such a
4 manner that would proceed in an orderly way, that would allow the
5 Kodiak business community to derive maximum benefits, and would
6 leave long-lasting improvements. We believe all this is possible
7 with careful planning and not interfere with our traditional fishery-
8 based economy. Based upon the findings and shortcomings of the
9 DEIS, this type of development would not be possible. We should
10 not allow the oil industry to move in, create a mini or even a
11 maxi boom and leave with the dust settling around and everyone
12 wondering what happened. We appreciate too much what the fisheries
13 mean to allow their deterioration as a result of an insufficiently
14 planned, short-termed oil boom. In other words, give us an oil
15 development program which will work to the benefit of all, and we
16 will be behind it one hundred percent. I would also like to address
17 an issue which has not been given enough thought and should be.
18 That is the psychological impact the potential of oil and gas
19 development is having. Our city manager refers to it as the Pillar
20 Mountain Syndrome. In other words, what is happening right now to
21 businesses and individuals, principally those interested in Kodiak
22 as a potential bottom fisher center, while the...what is happening
23 with those while we are having the will we or won't we oil and
24 gas argument continuing. Are they saying, "Wait and see"? Or are
25 they looking elsewhere because they believe, rightly or wrongly,

1 any oil activity will be harmful. What impact is this having on
2 us today? We don't know, but those responsible for making the
3 decisions and developing the program, should be taking this into
4 consideration and should be responsible for including assurances
5 to all that each and every aspect of the impact of oil and gas
6 development on Kodiak has been carefully thought out and planned.
7 To recap. The Kodiak Area Chamber of Commerce is on record today
8 as opposed to the oil and gas lease sale No. 46 based upon
9 deficiencies found in the DEIS prepared by the Department of the
10 Interior. The Chamber is not opposed, per se, to oil and gas
11 development as long as the well-being of our vital fishing-
12 processing industry is not harmed. The Chamber seeks to find
13 solutions to problems posed by the spectre of oil development in
14 the Kodiak Shelf. Thank you.

15 CHAIRPERSON: Thank you Mr. Kruz. Any comments? Chuck Eddy?

16 MR. EDDY: Thank you for your statement. Uh, we've heard
17 allusions to the Pillar Mountain Syndrome several times during the
18 hearings. I'm a little curious as to what types of businesses you
19 think might be inhibited from investing or entering the Kodiak
20 economy because of the threat of oil and gas activity hanging over
21 the island?

22 MR. KRUZ: Well, the...I think the City Manager, in his
23 statement earlier today, alluded to the fact that he was aware of
24 some, perhaps, financial institutions that would not lend money
25 here in Kodiak for various existing industries, processing and

1 and otherwise because of the fact that the Mountain might come
2 sliding down. Uh, I think in our case, we're referring to those,
3 as I mentioned in the statement, industries which...or processors
4 which would come in and add to the potential of the bottomfish
5 industry.

6 MR. EDDY: Do you...is that actually taken place with any
7 financial institutions that you're aware of?

8 MR. KRUIZ: No. I...I...I cannot personally speak of that.
9 The City Manager has alluded to it. But we do know that there are
10 potential people out there not knowing what to do, and that's what
11 we think should be addressed.

12 MR. EDDY: Thank you.

13 CHAIRPERSON: Anybody else have any questions of Mr. KruiZ?
14 (no response) Thank you very much George. The next witness,
15 Margaret Childs will not be testifying. The next witness is
16 Captain John Hanson of the United States Coast Guard. Is Captain
17 Hanson here? Thank you. Welcome.

18 CAPT. HANSON: Thank you very much. By this time of day,
19 there are not too many aspects of the DEIS or the overall operations
20 of oil and gas on the Outer Continental Shelf that haven't been
21 touched on. So, what small contribution I thought I could make
22 to these hearings is significantly reduced by now. Perhaps there
23 are a few things that are of particular concern to the Coast Guard
24 and maybe a few areas that I might add a little something to, to
25 perhaps give those present a better understanding. The Coast

1 Guard has definite responsibilities and interests in anything deal-
2 ing with development on the Outer Continental Shelf and I guess you
3 could say that we are involved in the prevention of undesirable
4 incidences as well as reacting to one if it should occur. We
5 interact with various government agencies, we have memorandums
6 of understanding with OSHA, with U.S. Geological Survey, so that
7 these responsibilities can be carried out with as little redundant
8 Government regulations as possible. And, if we in these other
9 agencies do our job properly in the first place, maybe we will
10 never have this incident. We hope not. If the incident does occur,
11 the Coast Guard would be the one who would be responding to it
12 and, if you would give me just a few minutes, perhaps I could
13 describe how we would do this. It may not reassure the people of
14 Kodiak, but at least they will have some understanding of the
15 organization that's set up. And when we talk about pollution
16 response, we could, . . . we could begin to describe it from the National
17 level or we could describe it beginning at the local level. And
18 I think, perhaps, this would be more appropriate since the people
19 are interested in the end result. Not what may go on back in
20 Washington. Well, in pollution response, there are two agencies
21 involved. The EPA and the Coast Guard. The EPA is responsible
22 for inland spills and the Coast Guard to coastal spills. Obviously
23 any Outer Continental Shelf spill would be a coastal spill. So,
24 the Coast Guard would be the Government agency responsible for
25 appropriate response. There is one man responsible for and in

1 charge of all phases of response acitivty and he is the Federal
2 On Scene Coordinator. This individual is pre-designated and for
3 coastal spills such as those on the Outer Continental Shelf would
4 be the Coast Guard Captain of the Port. For those in lease sale
5 area No. 46, that would be the Captain of the Port in Anchorage.
6 Obviously, he and his staff can't possibly adequately manage all
7 the activities associated with a medium or major coastal spill,
8 and so provision is made for assistance of whatever kind they
9 require. And one of the most important people he has to assist
10 him is known as the Scientific Support Coordinator. He is furnished
11 by the National Oceanographic and Atmospheric Agency and this
12 Scientific Support Coordinator functions to provide an orderly
13 flow of advise from all the resource agencies to the Federal On
14 Scene Coordinator so he may most effectively manage the response
15 effort to protect the environment. Now, all he has to do, the
16 On Scene Coordinator, is pick up a phone and he can get assistance
17 from Strike Teams, which are, once again, managed by the Coast
18 Guard or provided by the Coast Guard. There are three of these
19 Strike Teams. One on the West Coast, one on the Gulf Coast, one
20 on the East Coast. They're on twenty-four hour call and can
21 respond with their equipment with air transport in a matter of
22 two to three hours. And, last, but not least, of course, he can
23 call on any Coast Guard unit for assistance. And I think it's
24 safe to say that the only thing that could possibly take precedence
25 over a response to a spill would be a search and rescue effort.

1 And then finally, to the maximum extent possible, the services of
2 private clean-up contractors and business firms would be utilized
3 to supplement the Coast Guard activities and to, as soon as possible,
4 allow the Coast Guard units to return to their normal missions.
5 And I understand, in Anchorage, you had testimony from representatives
6 from these organizations explaining their capability or, in some
7 cases, the limitations on their capabilities. The On Scene
8 Coordinator also has someone, a group that backs him up. And it's
9 the Regional Response Team. And not to try to list everybody who
10 is involved, but the primary agencies represented are: the Depart-
11 ment of Transportation and the Coast Guard represents the department
12 and chairs the Regional Response Team for coastal spills. The
13 Environmental Protection Agency is represented. The Department of
14 Commerce by representative from NOAA, the Department of the Interior,
15 the State of Alaska is represented by the Department of Environmental
16 Conservation. The Department of Defense is represented as well as
17 the Department of Agriculture. Now, obviously with this team of
18 people to advise him and assist him, he can access any source of
19 information or hardware that the On Scene Coordinator may require.
20 This could include anything from advice on endangered species to
21 the deployment of a completed manned army arctic field kitchen
22 equipped for operations on the North Slope if it were necessary to
23 support operations there. Now if the Regional Response Team should
24 run into problems they feel they can't handle, they, in turn can
25 resort to a National Response Team at Washington which is made up

1 of representatives from the same agencies, and obviously, they
2 can access the highest levels of Government almost direct line to
3 the President, if you will, so that they can provide anything any-
4 where in the United States, or even if it's available, anywhere in
5 the world that could be obtained. So that is...sort of describes
6 the organization set up to respond to spills. Whether the response,
7 after all is said and done, satisfies everybody is another question.
8 You never really clean up an oil spill so it satisfies everyone.
9 It's messy stuff. But, anything that is available can be called
10 upon for that. There's been discussion about compensation. And,
11 perhaps just a couple of remarks on that. All of these activities
12 must be paid for and there are four sources of money. And one is
13 the Fishermen's Contingency Fund which has been mentioned and
14 discussed previously. And perhaps, the only thing I can add to
15 that is that I think the limit there is one million dollars and it
16 is intended to pay, as has been pointed out, for gear and other
17 equipment that may be lost through activities on the Outer Con-
18 tinental Shelf not connected with an oil spill. The other three
19 sources of money the Coast Guard is involved with, and the first
20 one is the commonly-known Pollution Fund which we've been using
21 for many years to clean up oil spills, was established with a
22 limit of thirty million dollars. It was hoped that it would be
23 replenished from collecting clean up costs from the spiller and
24 from fines that are assessed for spills and so forth. Unfortunately,
25 collections have not kept up with expenditures and Congress has had

1 replenish the fund from time to time. They have never failed to
2 do that however. Then there is the Offshore Oil Pollution
3 Compensation Fund which has been discussed and all I would say is
4 I'm not sure it was clear, but this is basically financed by three
5 cent per barrel levy on oil produced on the Outer Continental
6 Shelf and this can be varied to maintain the fund at a level some-
7 where between one and two hundred million dollars. Never less than
8 one hundred, never more than two hundred million. This fund is
9 administered by the Coast Guard. Additionally, one thing that has
10 not been mentioned today was the fact that each vessel and facility
11 operating on the Outer Continental Shelf and producing or trans-
12 porting oil, there are certain stipulations, but basically that's
13 what it is, must also demonstrate financial responsibility to
14 compensate people for losses that may be incurred and vessels, it
15 is two hundred and fifty thousand dollars or three hundred dollars
16 a gross registered ton, whichever is most. So, two hundred fifty
17 thousand is the smallest amount of liability they can have. And
18 for a rig on the Outer Continental Shelf, they must have thirty
19 five million dollar financial responsibility. Once again, this is
20 a program the Coast Guard is involved with and we are the ones that
21 they must prove this responsibility to. That is one of our functions
22 in our inspection we would check to see they have what's called a
23 Certificate of Financial Responsibility which is valid.

24 CHAIRPERSON: What was the second figure you said? Two
25 hundred and fifty thousand dollars or?

1 CAPT. HANSON: The vessels. Two hundred and fifty thousand
2 dollars or three hundred dollars per gross registered ton. Which-
3 ever is more.

4 CHAIRPERSON: Thank you.

5 CAPT. HANSON: And I know that these comments really on the
6 DEIS, but I have listened to some of the questions that people had
7 and thought that this might clear up some of their misconceptions.
8 It may not reassure them, but as they said, the unknown is worse
9 than knowing what your problem is. The one thing that particularly
10 concerns the Coast Guard is the possible conflict between the
11 various users of the waters contained within these lease sales and
12 the Coast Guard is responsible for the establishment of fairways,
13 traffic fairways where they are deemed necessary. We prefer to
14 place as few restrictions as possible on industry during the initial
15 exploration phase, while retaining the right to establish fairways
16 should a major find occur and increased vessel traffic density
17 become a problem. Rather than identify specific fairways which
18 might prove unsuitable at a later date, the seventeenth Coast Guard
19 district has requested that the Bureau of Land Management Outer
20 Continental Shelf Office insert the following provision in all
21 lease sale notices and agreements, and I quote. "Recognizing the
22 paramount right of navigation over competing users of the high
23 seas and approaches to the United States, the United States hereby
24 reserves the right to designate necessary fairways through these
25 lease tracts pursuant to the Ports and Waterways Safety Act,

1 Section 4 (c), 33 USC 1223 (c)." End of quote. We hope that by
2 the inclusion of this provision we could avoid what might prove to
3 be ill advised and unnecessary restrictions on all marine users,
4 the exploration industry, the fishing interest and the commercial
5 deep sea vessels which traditionally traverse the areas in question.
6 And we have been involved with this Port access route study for
7 a...several weeks now, or a few months. We have sent questionnaires
8 out to a mailing list, including many of the fishermen's organi-
9 zations asking for their input. Do they think Port access routes
10 are necessary at this time? If not, why not? And when might they
11 be? And, our proposed...our proposal to BLM for the inclusion of
12 this clause in lease agreements was also mailed out and most responses
13 have been quite receptive to it. And we feel that it's a reasonable
14 approach to it, putting it right up front for the man who's bidding
15 on the lease, that we don't have a fairway restriction at this
16 time, but you're put on notice that if it becomes necessary because
17 of conflict with the various users, we're letting you know that we
18 are reserving the right to do so. And I must apologize, I forgot
19 to introduce myself at the beginning. I'm Captain John C. Hanson,
20 Chief of the Marine Safety Division, on the staff of the Commander
21 Seventeenth Coast Guard District in Juneau, Alaska.

22 CHAIRPERSON: We recognized you, Captain.

23 MR. EDDY: Captain Hanson, thank you. I'm not aware of any
24 other area on the Outer Continental Shelf where we have oil and gas
25 operations where we have the problem of crab pots and permanent...

1 the type of permanent...wrong word, but semi-permanent buoys,
2 markers and pots that you have here. A suggestion was made earlier
3 that some type of fairway for service boats might be appropriate
4 to avoid potential conflicts with crab fishing activities. Is
5 that something that's within the realm of reason or doability from
6 your standpoint?

7 CAPT. HANSON: Not only is it in the realm of possibility or
8 reasonability, I think it's something that would be absolutely
9 essential. Once again, it is our opinion at this time, that until
10 you know which lease sale will be offered, until somebody bids and
11 gets a sale, and until he decides where he will operate his support
12 vessels from, you don't know if there will be a conflict. And you
13 can't establish a fairway at this time. And that is why we would
14 like some language that would put people on notice that once the
15 sale has been made and the manner in which the operation will be
16 carried out has been determined, as soon as a conflict begins to
17 develop, we would want to sit down with all parties concerned and
18 this has been done in Kachemack, not...people don't like formal
19 regulations. That's evident. But, where they can do something on
20 a voluntary basis, we are quite happy to try that. At Kachemack
21 Bay, they have done this, the various users sat down. The Coast
22 Guard had an input, if you will, chaired the meetings, and got them
23 started and they came up with a voluntary traffic control system
24 which has worked, perhaps with some arguments from time to time,
25 but for the most part, very successfully.

1 CHAIRPERSON: I might ask a more basic question, I guess,
2 unless it's my own lack of information. But, do you not have the
3 authority without putting such a notice in the notice of sale to
4 designate such fairways in the future anyway?

5 CAPT. HANSON: Yes Ma'am. You are correct. That authority
6 is in the law, but, you could say there's no need to put it in the
7 lease agreement, and on the other hand, by putting it there, you're
8 not doing anything that is not already provided for, but you're
9 putting it up front so the oil company is aware of this. And, I
10 would almost agree with you, the authority is there and they should
11 be aware of it and so forth. But in talking to some people one
12 day, the question came up. If you bid and obtained a lease and
13 then after you started drilling, we came along and said, "Hey look,
14 we have to put a fairway through the middle of your lease." They
15 said they would be terribly upset about that because they did not
16 plan on that. And this is why I think it's good to put this up
17 front so they know that if the conflict develops, we reserve the
18 right to establish those fairways which will be fair and reasonable
19 to all the users. Once again, you won't satisfy all of them, but
20 you can probably work out their difficulties so that nobody is too
21 unhappy with the final result and they can all live together.

22 CHAIRPERSON: Thank you. Jone Jones?

23 MR. JONES: Did you do this in the sale 39 area offshore
24 Yakatat? When we had the lease sale over there, did you provide
25 these fairways for that area?

1 CAPT. HANSON: No. At that time they took the other tact
2 where the parts of the proposed sale, that it was felt that would
3 interfere, we requested negative nominations and BLM was very good
4 and withdrew those. But, when you look at some of the lease sales
5 and you begin to try to delineate the negative nominations, the
6 blocks that you don't want to see offered, you end up with three
7 pages of blocks and there's an awful lot...to me that's not a very
8 efficient way to do it. It's much better if the oil company, if
9 they take this lease, go in and do their exploratory drilling and
10 if there is a producible find and there begin to be conflicts, then
11 let's establish the fairways. But you eliminate a tremendous
12 amount of acreage from even allowing people to look.

13 CHAIRPERSON: Jim Curlin.

14 MR. CURLIN: Captain Hanson, in Anchorage, day before
15 yesterday, we had a panel of oil people and one of the points that
16 they made was that the presence of platforms, particularly in the
17 Gulf of Mexico, but elsewhere, offered an additional safety factor
18 with regard to SRO operations. I was wondering if this area, in
19 particular, is sadly, loss of life, is the lifestyle of the fisher-
20 men and something that's recognized, but, in your opinion is that
21 a significant plus that can be weighed in, perhaps in favor of the
22 oil operations in an area of this sort?

23 CAPT. HANSON: Well, the oil industry is very self sufficient
24 when they move in. I would say that basically, in the Gulf where
25 development has been absolutely tremendous and there are literally

1 thousands of platforms scattered throughout the Gulf now; that,
2 they have not made unreasonable demands on the Coast Guard insofar-
3 as SAR is concerned. They usually have enough support vessels,
4 enough helicopters in the area that they take care of their own
5 SAR emergencies with the rare exception. Very adverse weather
6 conditions, sometimes their helicopters can't fly and so forth, so
7 the Coast Guard is involved to some extent. They don't put really
8 heavy demands on us. As far as the presence of the rigs being an
9 added safety feature, it certainly can be, I would say because with
10 the support vessels supplying the rigs, they can...can and would
11 go to the assistance of anybody who might in distress. The landing
12 platforms that are available on almost of their offshore structures
13 are certainly a ready place for a helicopter to sit down if it
14 develops problems. But, up here, I don't know that there would be
15 any helicopters flying, except the oil company's helicopters and the
16 Coast Guard's. So it would not help the fishermen, because they
17 don't use helicopters. In the Gulf, I do know on some occasions
18 they have been assistance to a Coast Guard helicopter which got
19 caught in a weather front so it couldn't get back and was running
20 low on fuel and they have been known to use a platform. So, it's
21 nice to know they're out there if you have to set down.

22 MR. CURLIN: And I think their point was that it would be an
23 added feature to the safety factor for the fishermen operating in
24 the area to have a well-equipped, sometimes medically-equipped
25 platform, often equipped by helicopter or supplemental SRO.

1 CAPT. HANSON: I would have to say that when they are there
2 and they are very self sufficient, that anybody who gets in trouble,
3 certainly they could help them, there's no question about it. How
4 significant a factor it would be up here, I'm not sure. By the
5 same token, I'm sure the fishermen from time to time would have
6 occasion to help one of those supply vessels that might get in
7 trouble too.

8 MR. CURLIN: Thank you.

9 CHAIRPERSON: Any other comments to Captain Hanson? (no
10 response) Thank you very much Captain Hanson. Thank you for
11 waiting. Ladies and gentlemen. We're going to hear about four
12 more witnesses before we break for dinner. The KANA people have
13 asked to come on after dinner, so we'll hear Mr. Delaney, Mr.
14 Rickard, Mr. Powell and Mr. Dave Woodruff, before we break for
15 dinner. Mr. Robert Delaney, from Fish and Wildlife Service
16 please?

17 MR. VIVION: Bob Delaney was called to Anchorage this week
18 and wasn't able to appear. My name's Mike Vivion, acting Refuge
19 Manager for the Kodiak National Wildlife Refuge.

20 CHAIRPERSON: I beg your pardon. Say that again?

21 MR. VIVION: Mike Vivion.

22 CHAIRPERSON: Vivion, thank you. You're appearing for Mr.
23 Delaney.

24 MR. VIVION: For the United States Fish and Wildlife Service,
25 Kodiak National Wildlife Refuge.

1 CHAIRPERSON: All right. Thank you.

2 MR. VIVION: Basically, my comments will be limited only to
3 those that apply directly to the refuge, since the Fish and Wildlife
4 Service is deeply involved in other aspects of the EIS review
5 process. The Kodiak National Wildlife Refuge occupies approximately
6 the southwestern two-thirds of Kodiak Island and was established in
7 1941 to preserve and protect the Alaska brown bear and other
8 wildlife. The primary means by which we accomplish this objective
9 is the protection of the habitats upon which these wildlife species
10 depend for their survival. Virtually every wildlife species found
11 on Kodiak, whether it be an aquatic, terrestrial or avian life
12 form is either directly or indirectly dependant upon the biologically
13 rich waters surrounding Kodiak Island. Even terrestrial species
14 such as the brown bear could suffer from any environmental impacts
15 that might result from offshore drilling and exploration activities.
16 These potential impacts include, but are not limited to potential
17 oil spills, increased boat and aircraft activity in support of
18 offshore operations, increased human activity in support of offshore
19 operations, and increased levels of recreational use by offshore
20 oil development and support personnel. In addition, three of the
21 eleven possible shore-based LNG sites identified by Woodward and
22 Clyde in their 1979 study, as referenced on page 23 of the DEIS,
23 are on lands of the Kodiak National Wildlife Refuge. Before any
24 such facility could be located on refuge lands, a thorough and
25 stringent compatability assessment would be required. This

1 assessment would be required to determine whether the proposed
2 facility would be compatible with the major purposes for which
3 the refuge was established and with the current objectives of the
4 Kodiak National Wildlife Refuge. Over three hundred thousand acres
5 of the Kodiak National Wildlife Refuge lands have been or will be
6 conveyed to Native Village Corporations under the provisions of
7 the Alaska Native Claims Settlement Act. However, Section 22 G
8 of the Act provides, in part, that lands conveyed to Native Village
9 Corporations from within a refuge, shall, after conveyance, remain
10 subject to refuge rules and regulation. Thus, an onshore facility
11 proposal for location on Native Village Lands selected from within
12 the refuge would also be subject to the compatibility requirements
13 outlined above for other refuge lands. Virtually the entire Kodiak
14 National Wildlife Refuge has been studied for and qualifies for
15 inclusion in the National Wilderness Preservation System under
16 provisions of the Wilderness Act of 1964. Action on a Kodiak
17 wilderness proposal was postponed after passage of the 1971 Alaska
18 Native Claims Settlement Act until final conveyances are completed
19 on Village-selected lands, so that Native-selected lands may be
20 excluded from wilderness classification. Most remaining refuge
21 lands must be maintained in their existing wilderness character
22 until a final wilderness proposal is completed and acted upon.
23 Any proposal to locate a shore-based facility on refuge lands or
24 on Native lands selected from with the refuge should be brought to
25 the attention of the refuge manager at the earliest possible stage

1 in the planning process so that the compatibility question and
2 wilderness considerations may be addressed early in the planning
3 process. And I might add, we were made aware of the...uh, these
4 proposed LNG sites by an article in a newspaper. And that's
5 basically our comments. In reference to what Roger Smith has said
6 earlier and there were some questions in reference to aircraft
7 activities and other activities of a disturbance nature. Basically
8 Roger covered it fairly well. The question was asked whether we
9 did not have the capability of restricting such activity. Promul-
10 gating regulations of that nature are one thing and enforcing them
11 are something quite different. And we currently have prohibitions
12 on helicopter landings on the refuge lands without permit. And,
13 we do have some problems from time to time. It's very difficult.
14 We're talking about the refuge itself is one point eight million
15 acres and it's tough to cover one point eight million acres. We're
16 talking about a lot larger area here.

17 CHAIRPERSON: Thank you, Mr. Vivion. Any questions of
18 Mr. Vivion? (no response) Thank you very much. That helps
19 flush things out. We have another problem that maybe you can
20 help us with. There are number of students from Old Harbor High
21 School scheduled to testify about 8:20 this evening. I think we
22 should be able to meet that. But, at the very end of the list I
23 have is Mr. Lee Santoro from the Student Council of Kodiak. I
24 expect he's not here this early. All right. We'll try to move
25 his time up a little forward too, after we come back from dinner.

1 The next person scheduled to testify is Mr. Dave Rickard, of Ships
2 Tavern? Mr. Dave Rickard? (no response) Okay. The next person,
3 Mr. Guy Powell. Guy C. Powell? (no response) Just about the time
4 I think I'm in trouble, you always bail me out. (laughter) Uh,
5 the next person, Mr. Dave Woodruff. Councilman for the City of
6 Kodiak. (No response) We'll call them after the break if they
7 have an opportunity to come back. Well, now we're in a position,
8 I guess. KANA has all gone to dinner, haven't they?

9 KANA WITNESS: No.

10 CHAIRPERSON: No?

11 KANA WITNESS: We're here.

12 CHAIRPERSON: You're all here? (laughter) Do you still
13 prefer to go after dinner or do you want to come on now?

14 KANA WITNESS: If at all possible, we would prefer after
15 dinner.

16 CHAIRPERSON: All right. Okay. I...I still have on the list
17 a Mayor Delgado from Ouzinkie. Is he in the room?

18 MR. DELGADO: Yes.

19 CHAIRPERSON: Okay. And Mr. Haakanson from Old Harbor?

20 MR. HAAKANSON: Yes.

21 CHAIRPERSON: Okay. I'm sorry Mr. Haakanson, I'm taking it
22 a little bit out of order, but we'll let Mayor Delgado go first and
23 then ask for your testimony. Welcome again.

24 MR. DELGADO: My name's Duke Delgado, Mayor of Ouzinkie and
25 I also sit on the KANA-OEDP Committee. I testified in Anchorage,

1 so I won't have much to say today, I guess. There some of the
2 things...questions came up in Anchorage, that I'd like to maybe
3 clarify for the panel or myself, perhaps. But it was mentioned
4 that the most of the testimony is for against the sale, although
5 that...if there is a sale, that people aren't against that too.
6 I think they were against the sale, but they're looking at, even
7 though we are against it, perhaps it will just forced on us anyway.
8 Uh, they talked about the energy again. We realize that the nation
9 needs more fuel. But that versus the subsistence of the people
10 of Kodiak, I can't see how it will help because, if you take four
11 to six months supply of gas versus our...the rest of our time in
12 subsistence, it doesn't seem like a good deal. The...our bodies
13 can adjust to practically any temperature. We don't need the
14 heat, but there isn't a body that can adjust to not eating. I
15 guess that's about all I have to today because of the testimony in
16 Anchorage.

17 CHAIRPERSON: Thank you, Mayor Delgado. Any more comments
18 to Mayor Delgado? (no response) Thank you for coming back again.
19 Mayor Haakanson? The Mayor of Old Harbor.

20 MR. HAAKANSON: Thank you. My name is Sven Haakanson. And
21 I'm making a statement on behalf of Old Harbor City Council and the
22 Old Harbor Native Corporation. I'll read it into the record.
23 We, the people, the City Council, and the Native Corporation of Old
24 Harbor fully understand and recognize the unavoidable hazards and
25 risks involved with the oil development in our area. We have

1 reviewed the Draft Environmental Impact Statement and report after
2 report about the good and bad affects of oil development. We also
3 understand the problems the nation is faced with during the present
4 energy crises and increasing dependence on foreign imports, par-
5 ticularly from the Middle East. A decline in domestic production,
6 and a growing level of domestic oil consumption. Even though the
7 potential oil and natural gas resources available from lease sale
8 46 represents only a small amount of the total resources available
9 on our Outer Continental Shelf and onshore areas of the United
10 States, it will be this sale and many others that could help to
11 make our nation secure. In Old Harbor, where the non-salmon fishing
12 season unemployment rate reaches nearly eighty percent and where our
13 young people are either unable to get into the salmon fishery
14 because of the high cost of Limited Entry, commercial Fisheries
15 commission permits, or the Island's other fisheries, crab, shrimp
16 and bottomfish because of the large initial investment required.
17 We look toward oil development as employment for our people. If
18 we are able to negotiate fairly with the oil industry, for example
19 the Yakutat Kwaan people of Southeast Alaska negotiated for the
20 construction of suport and supply base facilities that employed
21 forty or more local people and have very strict contracts and
22 signed agreements with the oil companies for protection of their
23 environment, their fisheries and compensation to fishermen due to
24 any mishap. Old Harbor is interested in attracting similar
25 facilities. We would be willing to negotiate for the location of

1 facilities needed to develop and produce the oil and gas resources,
2 but we would insist on no lessor safeguards than were awarded to
3 Yakutat Kwaan. We at Old Harbor have received interim conveyance
4 of one hundred thousand acres of land, including lands on Sitkalidak
5 Island. We would like to develop reindeer and cattle parenthood
6 ranching industries on Sitkalidak that may eventually be able to
7 provide meat and profits to the people of Old Harbor and the Island.
8 However, with tight money markets, these types of developments are
9 unable to be undertaken. We look toward oil industry and potential
10 profits the Village would receive from leasing our lands for the
11 development of onshore facilities to assist the villages...village
12 in entering these other forms of industrial development. We want
13 to work hand in hand in the development of our area, and hope that
14 all negotiations with the oil industry would be conducted with
15 mutual and equal respect. To accomplish this, we would need legal
16 signed agreements, and an openness on the part of all parties
17 involved to negotiate fairly with the recognition of each party's
18 needs and interests, plus much more. Old Harbor is very concerned
19 that local individuals and committees may be considering where to
20 locate onshore oil development facilities without having consulting
21 the island's villages to determine their interests. Potential sites
22 have been identified through past studies with no consideration or
23 contact having been made with the village communities involved. Old
24 Harbor would like to ensure that it has an active voice in any
25 decisions to be made as to where onshore facilities are to be

1 located. What we are saying is that Old Harbor recognizes the
2 inevitability of gas and oil exploration and potential oil and
3 gas development and production coming to Kodiak Island. We support
4 the position adopted by the Island and other villages to oppose
5 oil development prior to the decision to conduct the lease sale
6 having been made and are extremely concerned about the unavoidable
7 environmental effects associated with oil development, particularly
8 to our fishery resources. However, we have also had to repeatedly
9 adapt to many changes which has come to the island. Usually from
10 pressures which we had no control over. If oil development occurs,
11 it appears it will, Old Harbor wants to work cooperatively with
12 the oil industry to ensure that this development does not pass our
13 people by. And that's the extent of the statement.

14 CHAIRPERSON: Thank you Mr. Haakanson. Any questions of
15 Mr. Haakanson?

16 MR. JONES: What's the population of Old Harbor?

17 MR. HAAKANSON: Three hundred and forty seven.

18 MR. JONES: Thank you.

19 CHAIRPERSON: Jim Curlin.

20 MR. CURLIN: Mr. Haakanson, just one matter that you might
21 be able to clarify quickly. With regard to the allocation of
22 lands that may be used by an oil installation in your...in your
23 village, under whose control and whose determination would that
24 be made. Would it be a matter of the Borough government or the
25 village government. In other words, you asked for some specific

1 agreements, specific things from the oil industry before you
2 would welcome them into your community. Is that...is that decision
3 cut by your...by essentially your city council, your village
4 council or, is that a broader determination for the borough at
5 large?

6 MR. HAAKANSON: It. Basically the negotiation will be done
7 with the village corporation who is...who will be the landlord...but
8 naturally we'll have to work closely with the Kodiak Island Borough
9 on oil industries that come in the area.

10 MR. CURLIN: Thank you.

11 CHAIRPERSON: What is your Municipal⁹ Government? Do you
12 have a village council or are you a second-class city?

13 MR. HAAKANSON: Second-class city.

14 CHAIRPERSON: Second-class city. May I ask you another
15 question? Have you had any representation on or have people from
16 Old Harbor been acquainted with the activities of the OCS Advisory
17 Council or the Kodiak Island Borough?

18 MR. HAAKANSON: Not very much. Just in the last two months
19 we've had two or three months. But, I've always watched the oil.
20 I went to Yakutat and observed the...what they did and all. Went
21 out on the Sea Ranger or whatever it was that came back and talked
22 to the various people and their councils on what it did. Uh, just
23 to prepare myself for in case anything like that came to our area.

24 CHAIRPERSON: Thank you. Ray Karam.

25 MR. KARAM: On the basis of your experiences, as you

1 mentioned with the Sea Ranger and operations in the other end of
2 the Gulf. Do you feel that the operation of the oil industry in
3 your area could be compatible with the other values of your area?
4 I mean, is it a possible...for co-existence to occur?

5 MR. HAAKANSON: What..uh...are you saying compared to--

6 MR. KARAM: Well, we've heard a lot of....we've heard a lot
7 of testimony that it's just impossible to have oil and gas co-
8 exist with other aspects of Kodiak area. The fisheries, life-
9 styles, other values that the people in this area have. And I
10 was wondering if you have formed a judgment and if so, would you
11 share it with us as to whether or not oil and gas industry can, in
12 fact, move into this area without completely demolishing other
13 values that you want to preserve?

14 MR. HAAKANSON: Well, I studied and I looked at places in
15 New Mexico, Louisiana, and all over and they fish right around the
16 place. They don't seem to have any problems. The only time
17 everybody get feared upon is the big spills. But the ones that
18 don't happen, we don't read about. But if you do research, you
19 can find out a lot different.

20 CHAIRPERSON: Mr. Reid.

21 MR. REID: Uh yes. In a negotiation or in looking at possible
22 siting of onshore facilities, that might be on some of your lands,
23 are any of those, were any of those deeded over from the Fish and
24 Wildlife Service Would any of those lands be involved?

25 MR. HAAKANSON: Our upper lands are in Kodiak Island comes

1 within the Bear Life Refuge but Sitkalidak Island was not because
2 previously it was ranch land which expired their grazing lease.

3 MR. REID: I see. Okay. Thank you.

4 CHAIRPERSON: Any other comments? (no response) Thank you
5 very much. We will recess now for an hour and a half, until
6 six thirty, and when we return the first witness we'll call will
7 be Bob Peterson of KANA, and we'll go through the KANA presentations
8 of the various panels. We'll recess until 6:30 P.M.

9 (HEARING RECESSED FOR DINNER - TO RECONVENE AT 6:30 P.M.)

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1 (HEARING RECONVENED AT 6:45 P.M. IN BOROUGH ASSEMBLY HALL)

2 CHAIRPERSON: We will reconvene. Thank you all for waiting.

3 The rest of the panel members will along a bit...at bit later. The
4 first person I have scheduled to testify this evening is Mr. Bob
5 Peterson, with KANA.

6 MR. PETERSON: Good evening.

7 CHAIRPERSON: Good evening.

8 MR. PETERSON: My name is Bob Peterson. I'm the Economic
9 Development Planner with the Kodiak Area Native Association in
10 Kodiak. This testimony is offered for consideration at the public
11 hearing on the Draft Environmental Impact Statement for Lease Sale
12 No. 46 held in Kodiak, Alaska on March 6th, 1980. In my testimony
13 in Anchorage on March 4, I gave you a brief description of the
14 Kodiak Area Native Association and its relationship to Kodiak Island.
15 I wish to reiterate that description for the record. The Kodiak
16 Area Native Association, KANA, is a non-profit corporation, in-
17 corporated under Alaska State law in 1966. Its purpose is to
18 promote pride on the part of the Natives of Alaska and their and
19 traditions, to preserve the customs, folklore and art of the Native
20 races, to promote the physical and economic and social well-being
21 of the Natives of Alaska. To discourage and overcome racial
22 prejudice and the inequities which such prejudice creates. And to
23 promote good government by reminding those who govern and those who
24 are governed their joint and mutual responsibilities. KANA has
25 played an integral part in the social and economic development of

1 the six village communities on Kodiak Island. As a tribal
2 organization, KANA offers direct services, development planning,
3 training, and technical assistance to its members in the areas
4 of health, manpower, education, and community development. The
5 KANA Community Development and Planning Division concentrates on
6 the planned economic and social development of the villages. This
7 division helps to direct rural low-income village involvement and
8 decision making processes and helps to promote smooth accomodation
9 of economic development, natural resource protection, and
10 subsistence life-style preservation. At the Anchorage hearing,
11 I described the KANA overall economic development program, O.E.D.P.
12 Committee as being comprised of one representative from each of
13 the six primarily native village...native villages on the island.
14 I submitted to you the KANA overall economic development program
15 report that is the record of this committee's planning efforts.
16 I attempted to emphasize that although we recognize that the
17 D.E.I.S. is not a planning document, KANA must use it as a
18 reference document for future planning. In this regard, we must
19 look at how best to develop mitigating measures for the adverse
20 environmental impacts and adverse social economic impacts that
21 the D.E.I.S. assures us will occur. I reiterate a point I made
22 in Anchorage. It would be beneficial for the D.E.I.S. to suggest
23 mitigating measures for such areas as small boats subsistence
24 life-style impacts. I noted in the Anchorage section of this
25 hearing that the draft environmental impact suggestion that en-

1 clave development mitigates the adverse impacts to the City
2 of Kodiak is not sound. The adverse environmental and social
3 economic impacts are much too large for this to be an only
4 solution. Again, I state that the D.E.I.S. fails to discuss
5 how the impact of enclave development in the rural Kodiak
6 Island area can itself be mitigated. For the record, KANA
7 notes that the Draft Environmental Impact Statement in the
8 case that the total direct employment requirements of a maximum
9 scenario would be one thousand... excuse me, three thousand,
10 one hundred and five in 1983, levelling to six hundred and forty-
11 one after 1990, Table Three, Appendix "C". The minimum scenario
12 total direct employment is one thousand three hundred and sixty-
13 five in 1983 which levels to one hundred and fifty-two after
14 1990, again Table Five, Appendix "C". In Appendix "C" and in
15 Table 4.a.2.h. it states that it is assumed that enclave
16 employees do not bring their families. That assumption, of
17 course, is subject to debate. If we assume enclave develop-
18 ment with the new community of one thousand or six hundred or
19 four hundred or two hundred people, I suggest again that the
20 Draft Environmental Impact Statement is deficient in not discuss-
21 ing the impacts on service delivery to the rest of Kodiak Island.
22 How will a new community of this size affect the fish and game
23 regulations regarding subsistence in small boat operations? The
24 Draft Environmental Impact Statement leaves many questions
25 unanswered. It has been noted by others in the Anchorage portion

1 of this public hearing, that all lease sale areas and people
2 and problems are the same. Those commenting so, continued by
3 implying that because of the similarity of regions, oil and
4 gas development in the Kodiak area will proceed without undoc-
5 umented and unsolvable problems. I submit for the record, that
6 the people of Kodiak are unique, in their life-styles and in
7 their concern for the pristine Kodiak environment; to suggest
8 that Kodiak and its habitants are not individually and collec-
9 tively unique is indeed a rash suggestion and a dis... discon-
10 certing one to hear. Do not dismiss our arguments by so
11 quickly branding us. Remember, the costs of unwarranted or
12 improper oil and gas development will be borne by the unique
13 inhabitants of Kodiak Island, not by the Department of Interior
14 officials or by oil companies. Some Anchorage area hearing
15 participants were admonished when they spoke of a no sale
16 alternative but were not closed to oil and gas development. They,
17 I believe, were playing by the rules in picking alternatives
18 in defending their decision. KANA testimony, on the other hand,
19 said no sale because of adverse environmental impacts, particu-
20 larly to the commercial fishery activities, the adverse social
21 economic and social cultural impacts to the small boat subsis-
22 tence life-style and the noncompliance to the B.L.M/O.C.S.
23 Lands Act Policy of 1953, as amended in 1978. The Kodiak area
24 Native Association in executive board action on January 19,
25 and in full board of directors action on February 12, decidedly

1 supported the no sale alternative. Copies of these actions
2 are provided. KANA staff members who will be testifying later
3 will elaborate on these points. Thank you very much.

4 CHAIRPERSON: Thank you, Bob. Any questions of Mr. Peterson?
5 Thank you very much. Next I have Jerry Sheehan, who also will
6 be accompanied by Dale...Reft?

7 MR. SHEEHAN: Dale won't --

8 CHAIRPERSON: Dale is not with you, O.K., Jerry Sheehan.

9 MR. SHEEHAN: Hello, again --

10 CHAIRPERSON: Hello --

11 MR. SHEEHAN: My name is Jerry Sheehan, and I have been
12 employed since December 15, 1979 as an O.C.S. Researcher for
13 the Kodiak Area Native Association. My residence is in Karluk.
14 My testimony is concerned with the inadequacies in the Draft
15 Environmental Impact Statement concerning subsistence. This
16 is a ... I'm going to re-read with some clarifications the
17 testimony offered in Anchorage, it was deemed important enough
18 when I... when we returned to Kodiak that I repeat it. The
19 Draft Environmental Impact Statement recognizes that there is
20 moderate environmental risk involved to subsistence with oil
21 and gas development whereas a potential one to forty-eight
22 million dollar loss ex-vessel price to the combined crowd
23 fisheries is seen as a minor environmental impact. Oil and
24 gas development, then, will undoubtedly bring changes to people's
25 eating habits and life-styles on Kodiak Island. As to what

1 changes are expected, or what mitigating measures are available,
2 there is nothing in the Draft Environmental Impact Statement.
3 The text establishes that subsistence exists, and we take
4 exception to the way it is portrayed as existing, but the text
5 shows nothing at all about what moderate impacts could the
6 subsistence harvest in terms of nutritional cultural and dollar
7 loss are anticipated, or that there is any available means of
8 compensation for a loss incurred to these resources. There
9 is no indication at all that there is any compensation for a
10 loss of subsistence foods, and there is no possible way to
11 compensate for a lost or damaged life-style which could occur
12 due to oil and gas development in our region. Within the
13 Draft Environmental Impact Statement, there was no study at all
14 to quantify desirable species of fish consumed for subsistence
15 purposes. Damage done to a highly desirable species, like
16 red salmon, king salmon and steelhead in a village such as
17 Karluk, would probably mean having to utilize less desirable
18 species, like silvers and pinks. This is an impact which should
19 have been quantified in the Draft Environmental Impact Statement,
20 yet is not even mentioned. Whether or not people should have
21 to utilize less desirable species, due to impacts of oil and gas
22 development, is however, another issue. The potential impacts
23 go far beyond traditional food preferences, and include cultural
24 values. For instance, in Karluk, the boys may not play boats
25 in the river, a traditional children's games of towing boats

1 along the river bank until the men catch the first red or king
2 salmon. The whole issue of desirable species in the possible
3 impacts to the people of our region, should be quantified in
4 the Draft Environmental Impact Statement, yet is not even
5 mentioned. I'd like to quote from the D.E.I.S. Page 57,
6 "Although there may not be stress yet on the taking of subsis-
7 tence resources around villages, incidences of increased conflict
8 in areas connected by road to Kodiak were noted." Not only is
9 this statement untrue, there are areas around villages in which
10 conflicts over taking subsistence resources are felt, and it
11 fails to carry through the most likely possibility for onshore
12 facility siting, in the event of oil and gas development, are
13 enclave developments in rural areas. The D.E.I.S. does allow
14 for water impact associated with on-claim development " the
15 location of an LNG plant near the water sources of villages
16 and near the hunting or fishing waters of the village will be
17 a considerable impact unless close control of the influent and
18 effluent of the LNG plant is properly controlled." It is our
19 position that this statement on water hold true for the antici-
20 pated influx of people. By allowing that, possibly an additional
21 one thousand potential users of full subsistence and recreational
22 resources may be place on Kodiak Island and a high possibility
23 of a rural enclave development, there could be a direct conflict
24 over subsistence resources in areas not connected by road. The
25 D.E.I.S. does not even mention this possible impact of subsistence

1 utilization. Even assuming that the bulk of the population
2 remains in Kodiak and areas connected to the road system, an
3 additional one thousand users could be utilizing a resource
4 which the D.E.I.S. indicated is already under increased
5 conflict and stress, that should've drawn comment from the
6 D.E.I.S., yet does not. Two incidences contrary to the state-
7 ment, that there is no stress on the taking of subsistence
8 resources around villages are as follows: In 1979, subsistence
9 fishing in Monk's Lagoon on Spruce Island, located near the
10 village of Ouzinkie, was prohibited within five hundred
11 yards of the mouth of the stream, which is inconsistent with
12 traditional gear usage. The reason for this was conflicts
13 rising over subsistence in sports users. The last few years
14 have also seen a rising conflict over sport fisherman and
15 subsistence harvest of steelhead and king salmon on the Karluk
16 River. Although no action has been officially taken, no one
17 would deny that stress does exist. Fish and Game has considered
18 closing or limiting the subsistence harvest of steelhead and
19 king salmon on the Karluk River. A potential one thousand
20 resource users accessible to the Karluk River for steelhead or
21 king salmon fishing would force some kind of catch quota. This,
22 again, refers back to our comments on desirable species, and has
23 a direct impact on the villages on Kodiak Island that is ignored
24 in the D.E.I.S. It is also stated in the D.E.I.S. that crabs
25 are in season when ducks and geese come, and since it is much

1 easier to get crabs, not much duck and geese hunting occurs.
2 This is simply not true for village subsistence users. Few
3 villagers own crab pots, but almost every household owns a
4 shotgun. We also take exception to the U.S. Fish and Wildlife
5 comments in the D.E.I.S. that subsistence on Kodiak is mostly
6 from the sea. There is not much land subsistence of the
7 migratory fowl, there is not much subsistence hunting. We
8 comment again that ducks and geese are hunted, and are an
9 integral part of the subsistence life-style on Kodiak Island.
10 And while there may not be as many deer hunted numerically
11 as there are fish caught, subsistence for the land via deer
12 caribou or berries, is also an integral part of subsistence
13 life-style on Kodiak. In Anchorage the question was asked
14 of me, uh... whether ducks were important subsistence food in
15 all villages, or just to Karluk. In meeting with the KANA
16 O.E.D.P. Committee since then, I can now comment that ducks
17 are an important subsistence food to all villages and the
18 harvest by every village is high. Preliminary and inconclusive
19 studies included in the 1979 KANA overall economic and develop-
20 ment....economic, development and planning report indicate that
21 the dollar value of the food harvest taken for subsistence uses
22 approaches one million dollars a year. This is a dollar value
23 put on the food itself. Losses incurred to the lifestyles of
24 people who depend on subsistence foods can have no dollar value
25 put on them. There is no way to compensate for cultural losses.

1 For instance, as documented in Nancy Davis' study, published
2 as B.L.M.O.C.S. Socio-Economic Studies Program Number 42,
3 village life is very family oriented. One of the most
4 severe losses to village life-styles due to tampering with
5 the subsistence harvest, could mean a breakdown of family
6 ties. Families fish together, split fish together, hang fish
7 together, hunt together and eat together. This can not be
8 compensated for if losses are incurred. The D.E.I.S. should
9 recognize this fact, yet does not even mention it. The
10 Draft Environmental Impact Statement relies on the legal ways
11 subsistence should be utilized, the permits and quotas. But
12 this is inconsistency, which... inconsistent with the way
13 subsistence actually exists in the villages on Kodiak Island.
14 Few villagers have subsistence fishing permits, yet almost
15 all adult males partake in subsistence fishing. The permits
16 allow only twenty-five fish per permit, yet there is no one
17 I know of who will catch and split only twenty-five fish at
18 a time. More accurate... more accurate catches would be a
19 two hundred to five hundred fish per trip. There is a concern
20 then, that an influx of people could affect enforcement of
21 subsistence permits, could possibly introduce subsistence
22 quotas, impose limitations, change traditional patterns of
23 usage, and in general have a serious affect within villages
24 on the island. Enforcement of subsistence permits and quotas
25 will not take place without conflicts, even though outsiders

1 have a legal right to utilize fish and game resources. If
2 there are conflicts, an enforcement of policies contrary to
3 the traditional patterns of use, there will be a conflict
4 between the residents of an area and people viewed as outsiders
5 because of this influx into the area forced the enforcement of
6 the laws presently not being enforced. We also take exception
7 to the final sentences in the D.E.I.S. on the section of
8 subsistence, " Fisheries are the mainstay of the Kodiak economy,
9 and during years of poor commercial harvests, employment (such
10 as cannery work, etc) may become scarce. Subsistence fishing
11 acts as a partial subsistence for a cash income during these years."
12 Reading this, subsistence is misrepresented as being used only
13 in years when adequate catch supply is not existent. This
14 is simply not true. Quite the opposite might be true as indicated
15 in a quote in the Draft Environmental Impact Statement, Page 56,
16 which is that the more money made, the more time there will be
17 to spend on subsistence activities. Subsistence exists, and it's
18 not just a replacement food in use of low income, but a preferable
19 food for most village residents. Regarding the relationship
20 with subsistence that cash economy, there is no mention at all
21 in the Draft Environmental Impact Statement that two villages
22 presently have no stores, that food costs are higher in villages,
23 and that subsistence, therefore, has the direct relationship
24 to day to day living. By enforcing subsistence permits and
25 quotas, you are limiting a basic food source and there is nothing

1 viable to replace it with. The D.E.I.S. should have dealt
2 with this but does not. The Draft Environmental Impact
3 Statement has not dealt with subsistence in a presentable
4 manner. People are told that they will be moderately impacted,
5 but they are not told what the moderate impacts are, or if
6 any mitigating measures are available. There is no system
7 available for compensating a lost food source, and there is
8 none at all which could be devised to compensate for lost
9 life-styles. B.L.M. has not dealt at all with what the impacts
10 would be for regional subsistence life-styles if enforcement
11 of what could be nonenforceable subsistence laws are enacted
12 because of an influx of additional one thousand resource users
13 to our region. There will be conflicts, and this has been
14 ignored. In closing then, we would propose that no sale be
15 held at this time in order to allow for additional studies on
16 the impacts of possible oil and gas development on subsistence
17 resources and users on Kodiak Island, may be conducted.

18 CHAIRPERSON: Thank you, Jerry. Any comments on Jerry
19 Sheehan? Thank you very much.

20 MR. SHEEHAN: O.K., Thank you.

21 CHAIRPERSON: Uh,... next I've been asked, um...to call
22 Dave Wakefield...uh, together with Ron Lind from Karluk and
23 Dave Eluska from um... Akhiok.

24 MR. WAKEFIELD: Uh,... if it be appropriate, I think Ronnie
25 Lind and Dave Eluska prefer to speak ahead of me.

1 CHAIRPERSON: Sure---

2 MR. WAKEFIELD: If it's alright---

3 CHAIRPERSON: Who wants to go first, Ron?

4 MR. LIND: Yeah. O.K. My name is Ronnie Lind, and I
5 am from Karluk, the population is 90, we have no stores, there-
6 fore subsistence... subsistence is required. If there was an
7 oil spill in Karluk, the subsistence would practically be
8 destroyed, the seal rookeries and the sea lion would therefore,
9 the way I put it in short term, is we would be forced ourself,
10 our life-style, in everything to be forced be used... according
11 to a store here in Kodiak which we could not afford. Thank you.

12 CHAIRPERSON: Thank you. Dave?

13 MR. ELUSKA: Hi, mom! (Laughter) Well, my name is Dave
14 Eluska and I am from Akhiok and at the last count the census
15 bureau took, we have a hundred people down in Akhiok at the
16 south end of the island, about a hundred air miles by plane.
17 Well, uh... I heard the word fear mentioned today and I guess
18 that's the way the people back home feel about this um... oil
19 development. Uh... like Ronnie said, uh... the people in
20 Akhiok have the same feeling about sub...subsistence and depend...
21 and depend on it through the year. About eight percent of the
22 people depend on commercial fishing as their annual income. Other
23 than that there is only about six people employed nine months
24 out of the year, and they are the people that work in the school
25 as a teacher's aid, or the people that work as uh...health aid

1 or an alternate health aid. The people in Akhiok depend on
2 uh...uh... subsistence food such as sea urchins, clams, seal,
3 sea lions, deer, ptarmigan, ducks, salmon, halibut, reindeer,
4 trout and crab. And they eat the sea urchins year round and
5 they eat clams about nine months out of the year which is
6 butter clams, cockel clams and razor. And they eat seal about
7 six months out of the year and that during the winter months
8 and they quit in spring when the seals are about to have their
9 pups. And they eat ptarmigan, starting around November to the
10 end of March and the salmon during the spring is a daily diet
11 to our people and they go out to salmon every day, either to uh...
12 put on the table, salt, or smoke, to uh... hold over the winter
13 months. Uh,... they also depend on halibut whenever they can
14 catch it, it's pretty hard using a long line. And reindeer,
15 I guess uh... we get that about once every seven to eight years,
16 I guess because they don't hang around, um... near our end of
17 the island. They use to before but uh... after we had a big
18 fire down there, they moved toward Karluk and Larsonby, so they
19 have it pretty good over there. And uh... we depend on trout,
20 uh... that the first type of fish that comes around first every
21 spring... they come before the salmon so we go out after trout
22 in the spring months. As for crab, uh... we usually wait until
23 around uh... the month of April when they move up to uh...
24 toward the shore where we can go after them with the long pole
25 and a hook. Well, other than that, that's about all I have for

1 uh... our testimony, and uh... in closing, I'd like to say, and
2 this is in the case that uh...the oil sale goes through, and I'd
3 like to say that I like to eat fish with oil and the only type
4 fish I eat with oil is sardines. (Laughter) But, I'll be
5 damned if I'll eat salmon that is swimming through the oil
6 after a major oil spill. Thank you.

7 CHAIRPERSON: Thank you, David. Any questions of Dave
8 Eluska? (no response) Thank you. Uh,... David Wakefield.

9 MR. WAKEFIELD: I'm Dave Wakefield, um... on the KANA
10 O.E.D.T. Committee and I'm from Port Lions. On Tuesday, at
11 this hearing in Anchorage, I stated that Port Lions is basically
12 excluded from any comments in the Draft Environmental Impact
13 Statement, yet I also stated that Port Lions is also situated
14 in the north central area of Kodiak Island, and that um... we
15 are basically in crossroads between the lease sales Forty-Six
16 on the east side of the island and lease sale Sixty in the lower
17 Cook Inlet in Shelikof Strait. I would like to emphasize to
18 you that the cumulative effects between these uh.. two lease
19 sale areas were not addressed in the Draft Environmental Impact
20 Statement properly. And, especially ignored the community of
21 Port Lions in this relationship. To show you our analogy of
22 Port Lions being at the crossroads of the two sales, and is
23 being directly affected by both sales, I wish to present to you
24 with the facts that I've learned just in the last twenty-four
25 hours. Yesterday, members of the uh... B.L.M.O.C.S. Office

1 met with the KANA O.E.D.P. Committee at which all the villages
2 on this island were represented. The purpose of this meeting
3 was a scoping session on the lease sale Sixty for Lower Cook
4 Inlet and Shelikof Straits. I appreciate the fact that the
5 B.L.M. O.C.S. members admitted that there was little data
6 they had to ... they have available to them from village
7 communities. The purpose of this scoping session was just for
8 that... was just for that purpose. And that was good. Uh...
9 we did have a fairly productive meeting and I commend the
10 B.L.M. O.C.S. offices for wishing to talk to the village
11 representatives. I did not however, appreciate the information
12 we received from the B.L.M. O.C.S. staff concerning lease sale
13 Sixty. They contend that if oil or gas is found in the
14 Shelikof Straits, the transportation area of those hydro-
15 carbons will be at Talamig Point. Talamig Point, folks, is
16 one-quarter mile from Port Lion's city limits, and it's less
17 than a quarter mile from the Port Lion's state airport. Uh...
18 Talamig Point is within a mile of Whale Passage which is the
19 most travelled body of water for any boat passing from the
20 east side to the west side of this island or vice versa.
21 Poing is also a heavily used area by the residents of Port Lion
22 for subsistence in gathering berries, uh... hunting deer, and
23 uh... ducks, and uh... gathering mushrooms. Talamig Point
24 is within the inner marmit bay area. Now, B.L.M. O.C.S. staff
25 did state that Talamig Point was to be only an example in their

1 Draft Environmental Impact Statement, for lease sale 60, as
2 far as a terminus for uh... pipelines.. But they also stated
3 that this was the best example as the tankers can approach
4 Talamig Point from the Gulf of Alaska and into the Marmot
5 Bay area. Now this has everything to do with sales 46...
6 simply because the draft... this present draft environ...this
7 Draft Environmental Impact Statement that will be presented
8 for lease sale 60, will be available to the public and to the
9 oil industry before the actual sale of sale 46 takes place.
10 If...if this example of Talamig Point is available to the
11 industry before the sale of...the lease sale of 46, because
12 the D.E.I.S.for 60 will be available the public, the oil
13 industry would probably look at Talamig Point as a very good
14 possibility for lease sale 46. Especially if they would
15 predict finding any hydro-carbons in the northern tracts of
16 lease sale 46. Those tracts are in uh... adjacent to the
17 Outer Marmit Bay. Uh... obviously the industry would economic-
18 ally prefer one site if there were tracts that were producing
19 uh...oil or...and/or gas on uh... in the northern area of sale
20 46 and also in the Shelikof area of 60. Why Talamig Point
21 wasn't mentioned in the D.E.I.S. for 46, I do not know uh...
22 it just shows the proper relationship between the two sale
23 areas. Um... it, it...you should note that this Draft Environ-
24 mental Impact Statement that we're discussing at these hearings
25 today, does identify Port Lions as the possible support supply

1 base. But nowhere does this Draft Environmental Impact
2 Statement identify Port Lions area as a terminus for pipelines
3 and tanker landings. Since the Draft Environmental Impact
4 Statement for 60 will identify Port Lions as a terminus for
5 pipelines from Shelikof, it should also be identified in 46.
6 Because my testimony has now addressed this outrageous develop-
7 ment regarding Port Lions area, and because this Draft Environ-
8 mental Impact Statement does not address the cumulative effects
9 of the two lease sales in 46 and 60, the only alternative to
10 lease sale 46 is no sale. If the information on Talamig Point
11 is brought to the attention of the community of Port Lions which,
12 I'll assure you, it will be, our survey that we took will have
13 to be drastically changed, and I know that the results will be
14 changed substantially. Oil is a foreign industry. Enclave
15 sites are not, this industry is not compatible to our island's
16 village life-style, to our subsistence methods which we feed our
17 families with, or to our village's small fishermen which is our
18 self-made industry. I recommend that you consider the only
19 alternative is no sale. Thank you.

20 CHAIRPERSON: Thank you, Dave. Who owns Talamig Point, is
21 that land owned--

22 MR. WAKEFIELD: Afognak Native Corporation.

23 CHAIRPERSON: By...by whom?

24 MR. WAKEFIELD: Afognak Native Corporation.

25 CHAIRPERSON: O.K. Afognak Native Corporation. Any other

1 questions of David Wakefield? (No response) Thank you very
2 much.

3 MR. ELUSKA: Uh... before we go, I'd like to say uh...
4 thank you for allowing me the time to um... to um... give my
5 testimony but I'm sorry that I don't have no written testimony,
6 and then all this time, I thought this was "Family Feud".
7 (Laughter)

8 CHAIRPERSON: Family Feud?

9 MR. ELUSKA: Yeah. Bye, Mom. (Laughter)

10 CHAIRPERSON: Uh... next I have Wayne Marshall. Also...
11 have I got this right? And...and Dorothy Pestrikoff, uh...
12 who also is on the witness list. And, Miss Pestrikoff is from
13 Old Harbor.

14 MISS PESTRIKOFF: My name is Dorothy Pestrikoff, I'm a
15 KANA O.E.D.P. Representative from Old Harbor, which is my home
16 town. Distinguished panel members, good evening. Most of what
17 I have planned to talk about has already been talked about today,
18 so I'll just start with uh... tonight's testimony with a brief
19 summary of what was said in Anchorage, for the benefit of this
20 audience. I gave a brief picture of the village of Old Harbor,
21 and our basic feelings at the present concerning O.C.S. oil
22 and gas leasing. That being on a scale of favorable regarding
23 additional work for the people, a very appealing thought, due
24 to our high unemployment rate during the winter months, to
25 unfavorable. As I stated before, many who have read the D.E.I.S.

1 find it inadequate...it inadequate in many sections, especially
2 regarding our east end of the island, where we dwell in the
3 heart of the crab fishing grounds, with salmon being our
4 primary industry. I would like to try to confine this testimony
5 to the village level since we do not have that many village
6 representatives here today, or tonight. Although we share
7 with the town of Kodiak the major concerns of the fishing
8 industry, we differ in other ways in life-style, as we also
9 differ between other villages on a lesser degree. One of
10 the major differences here is a...is that the villages on the
11 island came in quite late, in fact, very late with the sale
12 46 involvement. They did not allow enough time for us to begin
13 to familiarize our people with 46 as a home. Our involvement
14 came in just prior to the traditional and Russian holidays,
15 which really delayed things... further. The point I'm trying
16 to make here is that, had it not been for the above reasons,
17 I'm positive that you would've had a lot more village testimony
18 here tonight, with the feelings of being more adequately able
19 to address this hearing. The village that I am representing
20 is not opposed to the thought of oil development. It is only
21 with the conflicting statements made regarding sale 46 put the
22 major concern of the inevitability of one major oil spill and
23 the impacts it would have on the village communities as well.
24 It is most regretful that we could not bring in many people
25 who, as life long residents of the village, could give you

1 the panel, a very clear picture of village life-styles, with
2 their expertise. One of the main dependencies we do have, and
3 I cannot emphasize this enough, is that our local subsistence
4 way of living, many residents feel threatened that this way
5 of life may be taken away from them, at worst, or at best, some
6 feel that this will alter their life-style. But to what extent,
7 we do not know, at the present. A question was raised in
8 Anchorage that we... can we adapt to change. I think yes, in
9 most cases. As we experience...or have experienced changes
10 constantly, but just the question involved changes oil and
11 gas development, then many of us would ask, changes of what
12 degree? This might also be included in the uh... phrase, "fear
13 of the unknown", that has been mentioned from time to time
14 throughout today. In closing, I'd like to say, we're adaptable
15 to changes, if we are going to be exposed to the oil development.
16 Because of the scoping session on sale 60, I feel confident that
17 from here on out, we village residents will be much more
18 informed and prepared for further proposed sales. Thank you.

19 CHAIRPERSON: Thank you. Any comments to Miss Pestrikoff?
20 (No response) Thank you very much. Wayne, you have a testimony
21 of your own to give.

22 MR. MARSHALL: Good evening. My name is Wayne Marhsall,
23 and I've been employed as an O.C.S. subsistence researcher by
24 KANA, the Kodiak Area Native Association, since October 1 of
25 1979. My role has been to serve as the primary staff to the

1 KANA Board of Directors, the overall economic development and
2 planning committee, and the villages over in Kodiak Island in
3 regard to proposed O.C.S. lease sales number 46 and number 60.
4 In this capacity, I've analyzed the D.E.I.S. and accompanying
5 documents that are pertinent to sale number 46, thoroughly reviewed
6 the draft and final Environmental Impact Statements prepared
7 for the proposed five year lease sale schedule, and travelled
8 to the island's villages to explain the contents and
9 documents and probable impacts associated with oil and gas
10 development of the entire eastern coast of Kodiak Island. In
11 testimony which I offered at Anchorage...at the Anchorage segment
12 of this public hearing, I focused on one aspect of the KANA
13 Board of Directors February 12th decision to support the no sale
14 alternative contained in the D.E.I.S. for lease sale number 46.
15 My testimony outlined KANA's interpretation of the Bureau of
16 Land Management's failure to comply with the guidelines stated
17 in Section 18a, 1, 2 and 3 of the Outer Continental Shelf Lands
18 Act of 1953, as amended in 1978. In particular, the KANA outlined
19 the D.E.I.S.'s statement that no oil would be produced, that
20 even the maximum fine, five percent scenario, the final impact
21 statement for the five year proposed lease sale schedule indicates
22 that all natural gas in the sale would be reinjected, that sale
23 number 46 ranks number thirty-one of the thirty-one proposed
24 sales in the five year lease sale schedule, that bases with
25 similar resource potential and industry interest, have been

1 completely omitted from any leasing consideration during the
2 five year schedule. That the Kodiak sale was the fourth of
3 all sales to be held during the new five year schedule, despite
4 the low resource potential, that the sales proposed in an area
5 which supports a lucrative diversified commercial fishery,
6 abundant in marine mammal and bird populations, and a rich
7 aquatic plan life, and an environmental risk to these resources
8 had not been adequately considered in conducting the lease
9 sale. That the hydro-carbon potential from this sale would
10 supply approximately only one percent of the total hydro-carbon
11 resources projected, this is obtainable from the O.C.S. sales
12 to be conducted during the proposed five year schedule. And
13 that the hypothesized scenario that all potential natural gas
14 production from the sale would be exported to Japan, thus not
15 assisting in meeting domestic oil production guidelines. To
16 summarize the testimony I offered on Tuesday, KANA stated that
17 with no gas production to occur because of energy market constraints
18 and no oil production to occur because of inadequate oil deposits,
19 this proposed sale does not meet the required criteria of
20 development and production. The KANA Board of Directors asks,
21 why Kodiak? In this segment of KANA's oral testimony, I'd like
22 to briefly outline several concerns that the KANA Board of
23 Directors raised in reaching their position supporting the no
24 sale alternative contained in the D.E.I.S. These concerns are
25 associated with two major areas. The potential adverse environ-

1 effects, particularly those impacts will occur to the...by...
2 from the major predicted hydro-carbon spill, and the adverse
3 social cultural socio-economic impacts that are to be experienced
4 as a result of oil and natural gas exploration, development,
5 and production in lease sale area number 46. In reading the
6 D.E.I.S., the potential adverse environmental impacts identified
7 in regard to the proposed alternative, impacts that will also
8 have a result and negative affect on social economic and social
9 cultural systems, are frightening to the individual fisherman.
10 These identified impacts include a loss of one-third of a salmon
11 year class, or a one sev...one to seven million dollar loss,
12 in real dollars, a one to forty-eight million dollar loss to
13 the combined crab fisheries, unquantified losses to the halibut
14 and herring fisheries depending on the location, duration, and
15 timing of a spill, minor but unquantifiable losses to a severely
16 depressed shrimp fishery, and unidentifiable impacts to the
17 bottom fisheries. Unlike the oil industry, which is comprised
18 of several of the larges corporations in the United States,
19 the fishing industry, which landed an ex-vessel price of ninety-
20 two million dollars of fish in 1978, is a highly individualized
21 industry. While oil companies are able to absorb the extreme
22 financial losses incurred from investing approximately five
23 hundred million dollars in the purchase of tracts and result in
24 drilling of eleven dry holes in 1976, Eastern Gulf of Alaska
25 sale number 55, the individual fisherman is often unable to

1 withstand the financial losses incurred from one poor fishing
2 season. The fluctuating, often unpredictable, characteristics
3 of Kodiak Island's fisheries, presently result in individual
4 ...individual fishermen being unable to diversify into other
5 fisheries, or retain ownership of a recently purchased vessel.
6 Potential adverse impacts related to an oil spill, could
7 further heighten these inherent problems encountered by self-
8 employed fishermen. This pattern of potential spills concerns,
9 is continued through the manner and areas which individual
10 fishermen fish. For example, a small boat commercial for salmon
11 fisherman from Akhiok, that fishes in a twenty-six foot jitney,
12 with a hundred and thirty-five fathom half-purse seine,
13 and very shallow inland bays, may be more adversely impacted
14 than a limit seiner who often uses seines, who often uses
15 seines longer than two hundred twenty-five fathoms, with a fifty
16 fathom lead, who fishes off the island's capes. Overall, KANA
17 feels that the D.I.A.....D.E.I.S. does not recognize the highly
18 individualized nature of the fishing industry, particularly the
19 potential adverse effects to the individual fishermen, who may
20 depend on a specific fishery recourse...resource, located in a
21 specific area, and fails to provide a community by community
22 analysis of the fishing industry. While the fishing industry
23 is an overall industry, may be able to suffer the losses of
24 potential oil or gas production, the individual fisherman could
25 be crushed. The KANA does request that the final impact statement

1 for this sale does address the concerns of the industries, as
2 a conglomeration of competing individuals and the differing
3 nature of the fisheries on the island by community. KANA
4 representatives, and other individuals who have previously
5 testified, have identified a large number of concerns associated
6 with the anticipated influx of people from the hydro-carbon
7 development production phases, be it enclave, or non-enclave,
8 facility siting, so I will not elaborate on these concerns.
9 However, when area potential population increase, it has not
10 been discussed or identified as an adverse impact in the D.E.I.S.,
11 is that associated with the influx of people who are speculating
12 in being able to benefit or gain employment from anticipated
13 oil development. To illustrate this point, I cite the foolish
14 past dreams of myself, many years ago, when I was attending
15 college in Pennsylvania. Prior to graduating, I read several
16 of the numerous ads that appeared in various magazines and
17 newspapers revealing the high paying and many jobs available
18 in the Trans-Alaska Pipeline. My roommate and I often discussed
19 the possibility of cruising to Alaska, working in the wilds of
20 the Arctic for two years, and then kicking back on the large
21 amount of money we had earned. Oil, instant money. The D.E.I.S.
22 does...does identify, although not consistently, the number of
23 jobs that will result from exploratory, development and production
24 phases, but does not address speculative population increases.
25 KANA has been told that there is not possible way that this level

1 of increase can accurately be addressed. However, at the
2 Anchorage public hearing on this lease sale, an oil industry
3 officially...official emphatically stated that from his
4 experiences of having attended twenty-five D.E.I.S. public
5 hearings, the current concerns expressed by all communities
6 are virtually the same. Well, if all sales are the same, and
7 the oil industry has the experience of so many past sales, why
8 cannot the D.E.I.S. at least give us the best guess or more
9 probable impact in speculative population increase? I have
10 identified this concern as KANA is particularly concerned about
11 the boom bust nature of the oil industry on-shore development.
12 Its effects upon the city of Kodiak is nearly half of the island's
13 native population lives in the city, and its carryover effect
14 on the villages. Previous individuals who have testified, stated
15 that only the island's hospital could withstand the pressures
16 of oil industry development at the present service levels, and
17 the D.E.I.S. even recognizes the severe pressure that could
18 impact such facilities as the community's docks, roads and boat
19 harbors. As oil industry engages in an extremely intensive level
20 of development, a two to three year time period is identified
21 in the D.E.I.S., KANA speculates that the current development
22 of necessary local facilities and services will not peak at the
23 same time as they are needed to satisfy the needs created by
24 industry development. KANA is concerned that the local population
25 will have to suffer this crisis level of development to

1 accomodate the oil industry, and then try to deal with the
2 bust accompanying the over-development that inevitably occurs.
3 As this is the public's primary opportunity to comment on the
4 Draft Environmental Impact Statement and its contents, I'd like
5 to briefly state several of KANA's concerns in regard to
6 confusing terminology used in the draft. The document does
7 not adequately verify the differences between a minor, moderate,
8 and major impact. To illustrate this inconsistency, the D.E.I.S.
9 states that combined crab fisheries would suffer a minor
10 impact from a five to thirty percent loss associated with oil
11 development. However, the D.E.I.S., in discussing the resource
12 potential alternative five compared to the resource potential
13 from the proposed action, alternative number one, dropping from
14 eight percent to seven percent probability of a commercial find,
15 describes that this is a minor impact. How can a potential
16 approximate....approximately one-third loss and a twelve-third
17 decrease, being both labelled as minor? The KANA hopes that
18 this inconsistency in the D.E.I.S. is eliminated in the final
19 impact statement. The KANA would also like to know why the
20 D.E.I.S. quantified the impacts divisional resources, zero to
21 five miles from shore, being a severe impact, five to seventeen
22 miles from shore being a moderate impact, and seventeen to
23 twenty-five miles from shore being a minor impact, when no
24 other impacts were quantified. This was also a problem with
25 the five year final impact statement, the rate of subsistence

1 usage in Alaska by region, when no other impact, commercial
2 fisheries, social factors, and transportation, as some examples,
3 were not similarly ranked. An additional concern is the use of
4 ...additional concern is the use of the term, "short-term impact"
5 to describe the duration of impacts associated with the twenty-
6 five to thirty year time period of oil and/or natural gas
7 exploration development production in the D.E.I.S. How can
8 impacts that will last for one-third of the average individual's
9 life span, be even remotely referred to as "short-term"? The
10 use of this term and... and its contrast, "long-term impact",
11 is not even defined until the end of the D.E.I.S., thus leaving
12 the reader puzzled as to the time frame of a particular impact.
13 KANA feels that the large number of the technical difficulties
14 encountered in this draft could have been avoided had the
15 Anchorage B.L.M. O.C.S. office been able to more aggressively
16 pursue each lease sale as a unique sale. We view with chagrin
17 the B.L.M. staff's necessity to conduct scoping sessions for
18 both the Norton Sound and St. George Basin during March, the
19 same month of this hearing. KANA feels that the Washington
20 headquarters of the B.L.M. must recognize that the sincere
21 desires of the people in rural Alaska, that are scheduled to
22 experience frontier area sales, to obtain accurate knowledge as
23 to all impacts associated with oil development. It is only
24 through the timely publication of draft impact statements and
25 accompanying technical reports, such as social economic studies

1 program and O.C.S. environmental assessment program reports,
2 the communities, such as Kodiak can accurately plan for proposed
3 oil development. In this light, why was the Anchorage B.L.M.
4 O.C.S. office's travel budget cut by twenty percent at this
5 crucial time of conducting eleven sales in six years? As I
6 stated at the Anchorage public hearing, I do not want to leave
7 this hearing panel with the impression that KANA it's Board
8 of Directors and the people which it represents, as an ogre
9 that does not believe that there is a national energy crisis,
10 or that it does not believe that there is an urgent need to
11 development additional, domestic hydro-carbon production. KANA
12 feels that it realistically viewed the prospects of oil and/or
13 natural gas exploration occurring in the off shore lands located
14 in sale area 46, that it's reviewed the potential positive and
15 negative impacts outlined in the D.E.I.S. and that there is
16 no option but to support the no sale alternative at this time.
17 This has been stated through all the KANA staff members who
18 testified on behalf of the Board of Directors, the KANA supports
19 the no sale option described in the D.E.I.S. on the basis of
20 the probable adverse environmental effects to be experienced
21 particularly to the small boat commercial fisheries subsistence
22 life-style, and the noncompliance of proposing the sale area
23 with the guidelines stated in the O.C.S. Lands Act of 1953, as
24 amended in 1978. However, should the sale and/or oil and oil
25 and/or natural gas exploration development and production occur,

1 this panel can be assured that KANA and the people it represents,
2 will attempt and demand it be an all developmental activities.
3 In closing, the potential hydro-carbon resources to be obtained
4 were similar to the amount available from the Beaufort Sea sale.
5 The prospects of a minimally significant find being realized
6 were greater than eight percent, or at least the resources that
7 may be found were able to...were able to be reproduced, can or
8 may have a different perspective on the sale. However, with
9 the Department of Interior's persistence in pursuing the
10 removal of Alaska's onshore lands from possible resource
11 development through repeated protective withdrawals, and a policy
12 of aggressively leasing extremely sensitive offshore lands, KANA
13 is unable to resolve the inherent conflict in the Department
14 of Interior logic and understand why lease sale area number 46
15 is being considered for sale at this time. To insure that the
16 hearing panel is unequivocally aware of KANA's position in
17 regards to proposed lease sale area number 46, if I were somebody
18 entrusted with the powers of the Secretary of the Interior, I
19 would cancel the sale following the conclusion of this hearing,
20 and would give us additional...and would give no additional
21 consideration for proposing this area for potential leasing.
22 Thank you.

23 CHAIRPERSON: Thank you, Wayne. Any questions or comments
24 to Wayne Marshall? Mr. Curlin?

25 MR. CURLIN: Yes, I do. I have one, please. Wayne, if you

1 will, explain again the problem that you see with the scoping
2 hearings on Norton Sound, St. George's, versus the timing on
3 this activity.

4 MR. MARSHALL: All I look at is the fact that the Anchorage
5 B.L.M. O.C.S. office who local rural people primarily have to
6 deal with, this is only the second time uh... which I can
7 remember anyone from D.C. being around Kodiak Island, there was
8 one official for an O.C.S. Advisor Council meeting, with the
9 pressures which they have to contend with, of having the sale
10 in Kodiak, social economic studies programs going on in virtually
11 all areas of Alaska at the present time, scoping sessions over-
12 lapping uh...two in March for Norton and St. George Basin, and
13 also similar scoping sessions coming up for one such as the
14 Basin almost back to back, that it does not allow adequate time
15 for that staff to devote adequate attention to all rural areas.
16 Because what we strongly feel is that lease...each lease sale
17 area is unique. For instance, when you go to the Beaufort Sea
18 sale, the primary concern up there was things such as subsistence
19 as far as it relates to the endangered specie of the whale,
20 and their life-style on that. There is not much impact up there
21 as far as the commercial fisheries. But when you have attended
22 the public hearing here in Kodiak, the one thing that's been
23 continually driven across to you by almost all panel members
24 who have spoken, is commercial fisheries. The same type of
25 concern is going to occur when you go to the Norton Basin, you

1 talk to people in Kotzebue, Nome, Bethel, or wherever. Everyone
2 feels that their sale area is unique, despite what oil officials
3 said at the Anchorage public hearing, I strongly believe that.
4 There are individual concerns that have to be viewed on a
5 regional by regional basis. And it's only those type of pressures
6 which...which the Anchorage office has to deal with, particularly
7 since these are all frontier area sales, with the exception of
8 the...um...sale off in the eastern Gulf of Alaska, the northern
9 off Yakutat, and some people have been trying to describe the
10 Cook Inlet Shelikof Strait sale as a non-frontier area sale and
11 we'll continue to say that that is frontier area since Shelikof
12 Strait has never been leased before. With all these being
13 frontier area sales, there is a wide variety of knowledge which
14 you are compelled through the social economic studies program
15 report to accumulate, which you don't have to accumulate every
16 time you have a Gulf of Mexico sale. There's just an increasing
17 amount of burden being placed, and what we would like to see
18 is a reflection of that in the level of services which we can
19 expect from the B.L.M. offices. And I can go back and start
20 citing uh...difficulties we've had with getting social economic
21 program reports in what we feel is a timely manner, and which
22 we feel are, are coming in too closely to when the Draft Impact
23 Statement has been released. For instance, Gary Henegy dropped
24 off the final impact... the final survey...the final social
25 economics report, rather, on the commercial fisheries to me today,

1 or yesterday, rather. And, you know, right now we're sitting
2 in front of you at the hearing level. If your social economic
3 study program reports in a finalized nature that has finally
4 been accepted by your staff, is the way things actually exist,
5 do not occur prior to the Draft Impact Statement coming out,
6 can we then be assured that this Draft Impact Statement accurately
7 reflects even the documents which you yourself have contracted
8 to do? And that is generally what I'd look at as why I feel
9 such things as scoping sessions in other areas... it just comes
10 down as...we talked about accumulative impacts of 46 and 60.
11 While we are seeing in Alaska, is the cumulative impacts of
12 now what constitutes eleven sales in six years.

13 MR. CURLIN: I understand. Well, please don't interpret
14 the statment of the oil company as being the position of this
15 panel, or the position of the Department of the Interior with
16 regard to considering that uh...that all communities and all
17 regions are essentially the same. There are some common threats
18 of concern, I think fundamentally what that...what that shows
19 is that when you're dealing with...with fishing interests and
20 renewable natural resources versus oil resource, the fears and
21 concerns are generally the same. But we recognize the uniqueness
22 particularly in the Alaskan regions, with...of the specific
23 concerns and terms of subsistence, in terms of...of the economy,
24 as being essentially unique, or having unique qualities in each
25 of the areas. So, please don't interpret what the oil company

1 said is our position. I understand what you're saying.

2 CHAIRPERSON: I'm very conscious of Wayne's concerns,
3 I...I make him with me to the manager's meeting in March.
4 (Laughter) Let him make some of my arguments. Any other
5 comments or questions of Wayne Marshall?

6 MR. CURLIN: Only one other thing, you know, you may
7 be the only person we've heard in a long time that ever...that
8 ever tacitly plead for any more participation out of Washington
9 than they're getting. Usually they'd rather have us stay away.

10 MR. MARSHALL: Well, we...what we've been firmly led to
11 realize is that the Anchorage office makes no decisions. And
12 that you make all the decisions, and that's why we would prefer
13 your being here at times to explain the decisions that are being
14 made. And to have access to that.

15 MR. CURLIN: That's not the way it looks from our end. (Laughter)

16 CHAIRPERSON: Thank you, Wayne. Uh... Mr. or Ms. Brodman.
17 Next please. Miss Brodman. Oh, of course!

18 MISS BRODMAN: Good evening. I am Rise Brodman, I've been
19 a resident of Kodiak since 1964---

20 CHAIRPERSON: Can you speak up a little bit, Miss Brodman,
21 please?

22 MISS BRODMAN: I am Rise Brodman, I have been a resident
23 of Kodiak since 1964, and I've been on the O.C.S. Council of
24 Kodiak since its inception. And I think it's everything
25 practically has been said in this hearing, that uh... I had

1 anticipated them saying, but however, there are a couple of
2 things I would like to bring forward, as a council member.
3 A five year comp for coastal zone management, F.A.A. Coastguard,
4 Department of Transportation, the Borough and the Native
5 Associations, I believe should be included in the D.E.I.S. ~~comp~~
6 At least a five year projection. We're looking at oil, on
7 a five year discovery and a twenty year development. Then
8 why can't we look at the rest of them the same way? In the
9 D.E.I.S., I could not find a priorities list. Food, or oil.
10 There is none. And I believe, that if it was put on a one to
11 one basis, that you would find that food would have precedence,
12 by the whole world. Earlier today I heard somebody say while
13 accumulative studies could not be made by anybody except think
14 tanks. That no industry, no single industry, no single agency
15 has done this. I think it's about time that it is done. The
16 concern of N.E.P.A.(sic) and its options, I think are very
17 derelict in the statement. N.E.P.A.(sic) options state that
18 all priorities should be listed and they weren't. The priority,
19 the individual, from the housewife up to and including on
20 expertise that are here have been ignored in this. Not in all
21 areas, but in enough of the areas that every housewife is
22 concerned. Maybe they want oil. The one thing that I don't
23 understand is we have an option, the oil companies have an
24 option, the government has an option, you're looking for
25 energy. One of the options that was not recognized, or addressed

1 in the D.E.I.S. is, that oil, pardon me, energy and fishing
2 could be compatible if it was on a research basis. You've
3 seen the derivatives from fish, as an energy source. I'm
4 not saying that it would pay off as big as oil, or it could
5 happen as fast as going out and drilling, but I think a positive
6 research could be made into this. And I feel like that if
7 as much effort had gone into the research of energy from fish
8 byproducts, that possibly four years ago when we started this
9 thing, today, we might have had production. That's it.

10 CHAIRPERSON: Thank you, Miss Brodman. Any questions of
11 Miss Brodman? (No response) Thank you very much. May I ask
12 a question of the audience? Is tomorrow a school day in Kodiak?
13 It is. With your permission then, is Mr. Lee Sentoro (sic)
14 representing the Kodiak Student Council in the audience? Maybe
15 he's resting up. He is here? In ten minutes, O.K. We'll go
16 ahead then, The next witness on the schedule is Elayne Hunter-
17 Rennell. Miss Rennell.

18 MISS HUNTER-RENNELL: My name's Elayne Hunter-Rennell and
19 my Post Office Box is 2741 and these are my comments on the
20 Draft Environmental Impact Statement for oil and gas lease sale
21 46. My overall criticism with the D.E.I.S. is in its perfunctory
22 attention to isolated details. My personal concern with the
23 prospect of oil and gas lease sale is in the overall impact
24 it will have on Kodiak as a community, on the people on this
25 island, and on my own life. I feel very strongly that the

1 impact as a whole, certainly will be greater than the sum of
2 these individual categories and facts. More specifically,
3 the present social problems and issues have not been adequately
4 explored or documented. On Page 53 the Kodiak Area Native
5 Association, May 1979, Five Year Regional Health Plan should
6 certainly be included as well as the health need study in 1978.
7 There are a number of alcohol-related studies. This is referring
8 to Page 53. Specifically done, in Alaska and numerous statistics
9 specific to Kodiak, are available through the court system, human
10 service agencies, the hospital and related institutions.
11 Additionally other social issues indicatingsocial stress needs
12 to be adequately documented with present statistics as well as
13 the historical perspectives. Such social problems would include
14 suicide, homicide, accidental death, psychiatric hospitalization,
15 depression, general use of mental health services, and social
16 services. Additionally, child abuse, child neglect, wife
17 abuse, and other family violence and family deterioration
18 indicators need to be considered. Rape, assault, and other
19 community violence incidents are reflective of social stresses,
20 also. All these areas of social impact are important consider-
21 ations for the D.E.I.S. and need to be included on Page 53 and
22 in the conclusions of social impacts of all the alternatives.
23 Certainly, these kinds of statistics, as well as the impact of
24 oil and gas development, on the social problems in the North
25 Slope and the Cook Inlet areas need to be available to persons

1 making decisions regarding the development of the oil and gas
2 industry in the Kodiak area. My ... much rationale is used in
3 the D.E.I.S. for the enclave alternative to minimize the
4 social and economic impacts on the city and communities in
5 Kodiak Island. This seems to be an example of the lack of
6 integration of this document. An example of this would be
7 in the conclusions regarding the impacts of oil and gas
8 pollution on the fisheries and the result and impact on the
9 human population of Kodiak Island. In the conclusions regarding
10 the pink salmon fishery on Pages 32 and 108, it is estimated
11 that the catch might be reduced by one-third and recovery would
12 require several years. Or could require several years. The
13 social impact on the fishing community and consequently, the
14 canneries, cannery workers, local and businesses and everyone
15 on Kodiak Island, would be considerable. Yet, on Page 127 the
16 only social factor of significance is considered to be population
17 growth. Previous poor fishing seasons have caused significant
18 financial stress on the Kodiak community. And consequently
19 resulted in family stresses and social problems. Even in the
20 event of remuneration from fishermen's contingency funds, the
21 result in unemployment would continue to cause social and
22 emotional stresses, not considered in the D.E.I.S. With the
23 life-style of the fisherman, it is a very physically active and
24 productive one. On Page 130, archaeological sites are named at
25 the only crossroad resource. Culture in...in its undefinable

1 nature includes a great many areas. The subsistence life-style
2 is a part of the culture and has passed through generations of
3 the original inhabitants of this area for thousands of years.
4 Loss of salmon stock, seals, sea lions, deer, and other forms
5 of wildlife are all part of the subsistence culture. Addition-
6 ally, some of the Koniag culture is transmitted through stories
7 about local wildlife. I would like to make a personal comment
8 at this time. First, I feel that the inadequacy in information
9 documenting the social impacts on the people of Kodiak Island
10 in the D.E.I.S. is negligent. I can't help but feel that
11 this void reflects a deeper disregard for the effects...for the
12 effects the gas and oil development will have on the Kodiak
13 community. I work in the human service field for five years,
14 have a Master's Degree in Psychology. This background and
15 experience has made me acutely aware of the dramatic impacts
16 changes and social economic vocational familial and cultural
17 environments can have on the people involved. Community systems
18 can ...can have...community systems have to maintain a balance
19 in order to function. Intrusions into the systems can be
20 assimilated in small doses. More dramatic changes can be
21 disruptive to the homestasis (sic) and result in social and
22 emotional problems for those involved. No matter where the
23 enclave alternative was located, the fishing or renewable
24 resource industry and the oil or gas or nonrenewable industry
25 would be in conflict. There seems to be a very profound value

1 difference between the two groups of people involved. Thank you.

2 CHAIRPERSON: Thank you. Any question of Miss Hunter-
3 Rennell? (No response). Thank you very much. Mr. Steven
4 Hunter-Rennell. Steven or Stephan?

5 MR. HUNTER-RENNELL: Steven. My name is Steven Hunter-
6 Rennell and I would like to say first of all that uh...I beat
7 the bushes to get more people out here to testify and uh...I
8 was so frustrated at that because there was a lot of people
9 that have a attitude that going through the correct channels
10 is sort of a futile effort. And uh...it's like, wasting your
11 time, more or less and uh...I ran up against this attitude
12 quite a bit and I tried to convince a few more people that
13 perhaps if we really showed this panel how we felt that they
14 would understand Kodiak better. I would like to begin my
15 testimony with a discussion of the alternatives of lease sale
16 46, listed on Page "I". There are no real viable alternatives
17 listed. What the D.E.I.S. lists basically, is variations of
18 lease sale of 46. Perhaps better alternatives would be one,
19 alternative lease areas, two, alternative energy sources. Such
20 as taking the same amount of money available and using it to
21 investigate possible use of renewable resources such as tidal
22 and wind energy in the Kodiak Island area. Three, energy
23 conservation. There is much discussion of the need for new
24 sources of oil within the frontier areas of O.C.S. Yet, no one
25 has even formulated a working plan for the conserving of the

1 energy sources already available. I would like to see this pur-
2 sued more actively before more oil exploration is undertaken.
3 Number four, rationing. This should be done immediately. Just
4 to make everyone more aware of our energy problem and to
5 stretch the supply we now have. Number five, deregulation of
6 oil and natural gases. This would make people more aware of
7 the real value of the energy now available. On Page 1 of the
8 D.E.I.S., paragraph 2, the statement, "there is a greater need
9 to develop resources from the O.C.S. frontier areas to offset
10 growing imbalance between domestic domestic oil and gas produc-
11 tion in use.", is an assumption on the part of the B.L.M. I
12 do not agree with this basic philosophy. There is more of a
13 need for conservation as I have already stated. According to
14 some statistics, the U.S. could use thirty to forty percent
15 less energy with little or no penalty to the American life-style.
16 According to the B.L.M. data, one percent of gas resources
17 anticipated from the 1981 to the 1985 lease sale schedule is
18 derived from lease sale 46. When you put these two facts
19 together, the statement on Page 1 loses a lot of credibility.
20 If and when there might be a discovery of oil or LGN, it
21 certainly is not going to offset the growing imbalance between
22 domestic oil and gas production. Since this statement is on
23 Page 1, it seems to me as though it is put forth as a basic
24 premise upon which the D.E.I.S. is based. Therefore, I
25 emphatically state that I totally disagree with this philosophy

1 and I believe that lease sale 46 cannot be justified on this
2 basis. On Page 9, paragraph 5 and 6, it states that there is
3 a one million dollar fisherman contingency fund. Either the
4 B.L.M. is totally naive to the fisherman's needs or they just
5 don't care. To say the fund is grossly inadequate, is an
6 understatement. It seems to me as though some other statements
7 in this document are put forth to appease those people in the
8 Kodiak community who might have some concern. Because if you
9 study the D.E.I.S. carefully, it is obvious that there are many
10 areas where the document has glossed over some extremely
11 important topics. On Page 15, paragraph 3 in the D.E.I.S.,
12 it refers to the Clean Water Act and that it applies to offshore
13 operations with liabilities up to fifty million dollars. Yet,
14 there is no mention of any type of plan for determining the
15 cost of replacing or restoring natural resources. This is another
16 example of glossing over an important topic. There is no
17 discussion of the spill event or what it would cost. This alone
18 is reason enough to cancel the lease sale. Now is the time
19 to plan for a spill event. It should be discussed and the
20 D.E.I.S. already states spill event is probable. Moving on
21 to Page 21, paragraph 4, there are some very interesting
22 statistics here. According to the D.E.I.S., theree is a
23 ninety-two percent probability that no commercial resources
24 will be discovered. When you put this fact together with the
25 admission earlier in the document, of the probability of

1 environmental damage of significant level, one wonders why a
2 lease sale is even being scheduled. On Page 31, there is a
3 summary of probable impacts. It is very interesting to see
4 that probable impacts, which includes no mention of the fact
5 that a major portion of Kodiak is a national wildlife refuge.
6 There is mention of the fact that pink salmon populations
7 may suffer. Those of us who live here or commercially fish
8 pink salmon know the Kodiak bears also depend on this resource
9 each summer. I repeat, each summer, not just every so often.
10 My question is, what is the point in maintaining a national
11 wildlife refuge if there is oil exploration with all the
12 consequences exploited in the same area? Eagles were never
13 mentioned in this same summary. Since it is our national
14 symbol, and on the endangered listed in all the states except
15 Michigan, Minnesota, Wisconsin and Alaska, they need to be
16 protected here. Those of us who ri...reside in the Kodiak area
17 realize how much eagles depend on the ...on the sea for their
18 sustenance. Because they feed off the top of the food chain,
19 any environmental damage would greatly endanger their survival.
20 The attitude that is put forth in the D.E.I.S. towards the
21 fishing industry is one of tolerating a problem. The fact
22 that fishing is use of a renewable food resource that will
23 continue for longer than twenty-five years, is of little
24 consequence to the B.L.M. The use of the words such as "minor"
25 or "moderate" does not change the facts. Oil and fish do not mix.

1 To place such a high priority on lease Sale 46, when it is...
2 there is only one chance in ten of discovery, seems absurd to
3 me. We will need our renewable food resources long after
4 lease sales 46 has ended. The fishing industry cannot
5 tolerate oil exploration. There is no fund large enough to
6 compensate all the people who could become involved. On Page
7 27 the document refers to stipulations for well and pipeline
8 construction. In the Cook Inlet the existing pipelines do not
9 permit otter troll gear to pass over without damage. Why
10 should the problem be any different here in Kodiak? There has
11 been little or no discussion of the possible consequences of
12 the tanker running aground for a high seas collision. To
13 ignore this possibility is a serious drawback to the credit-
14 ability of this document. Perhaps mentioning the oil tanker
15 "Prince William Sound" which lost power for twelve hours with
16 eight hundred and thirty-one thousand barrels of crude oil,
17 was one half hour from running aground would cause some interest.
18 The winds were ninety knots and the Coast Guard and a tug
19 attempted to take the tanker under tow. For those twelve hours.
20 This happened in Prince William Sound less than a month ago.
21 This incident alone is enough to consider the no sale option
22 just more seriously. Because of the allotment of ten minutes
23 and the size of the document, I am not able to cover all the
24 areas that need comment. But they have been covered very well
25 today, I feel. I strongly support the no sale alternative

1 and would recommend that no thought be given to the idea of
2 more research and safer renewable energy resources. Whether
3 we like it or not, oil and gas are finite and they will not
4 last forever. The sooner this is accepted, the better. Then
5 we can begin to use the sun, wind and tides for our energy
6 needs. Thank you for the opportunity to speak.

7 CHAIRPERSON: Thank you, um...any questions or comments
8 to Mr. Hunter-Rennell? (No response) Thank you very much.

9 MR. CURLIN: I guess I feel compelled to say one thing
10 in defense of B.L.M. on the introductory statement referred to
11 where it spells out the importance of oil and gas, uh... there've
12 been several pleas over the past couple of days for a national
13 energy policy and I'm afraid, that this is as close as we come
14 to the national energy policy at the present time. These
15 were not dreamed up by B.L.M., they happen to be goals that
16 have been graced by, I guess the last three administrations,
17 like it or not, so...please don't blame B.L.M. personally.

18 MR. HUNTER-RENNELL: I certainly uh...understand you
19 points, I just uh...everybody's been pretty level-headed today
20 and I think this is a pretty emotional issue to me and I like
21 Kodiak a lot and I don't want to have to sell my land and move.
22 And uh... I see this oil coming as a real threatening thing to
23 my life and my life-style.

24 MR. CURLIN: We understand your...your reference to the
25 alternative source of energy and of course that...that has

1 happens to be on a separate tract, your...outside of Bureau
2 of Land Management or the Department of the Interior, in
3 that respect. But, we appreciate very much your position.

4 CHAIRPERSON: Thank you very much. The next pers...uh...
5 group is uh...Reverend Bob Childs, together with Dennis
6 Murray, representing the Senior Citizens of Kodiak.

7 REV. CHILDS: I'm Bob Childs and I'm secretary of the
8 board of the Senior Citizens of Kodiak. And uh... we are very
9 concerned about this and the possible affect that it has on
10 senior citizens, the elderly, um...in an earlier addressed
11 statement we were concerned about some language that was in
12 there, feeling that it was um...somewhat derogatory to senior
13 citizens and not very constructive and we raised a question
14 about it, and um...apparently our letter was gotten because
15 uh...there seems to be nothing about the elderly and in this
16 one. And um...so we're concerned at that point. I should like
17 to um...read for you a resolution which was adopted by the
18 board of the Senior Citizens. Um...on the potential impact
19 of the lease sale number 46 on the area of the elderly. Whereas
20 the Board of Directors of the Senior Citizens of Kodiak, Incorp-
21 orated, has reviewed some of the materials associated with the
22 proposed lease sale of tract 46 by the Federal Government, and
23 whereas the Board finds that there is associated with gas and
24 oil development are many and varied, whereas the Board also
25 finds that the Environmental Impact Statement does not address

1 sufficiently the concerns of Kodiak citizens, particularly the
2 elderly, regarding the potential adverse impact of such
3 development on the life-styles and standards of living of the
4 area residents. Whereas, it is anticipated that the elderly
5 of the island community will not benefit significantly from
6 the proposed development, as they are not, for the most part,
7 actively engaged in employment. Further, they rely on
8 retirement incomes for their support and are ill-equipped
9 to cope with the rising prices associated with an influx of
10 population. Therefore, it be resolved that the Board of
11 Directors of the Senior Citizens of Kodiak, Incorporated, as
12 representatives of the membership of the organization, feels
13 that language should be incorporated into the statement which
14 reflects care and concern on the part of the Federal Government
15 and the oil companies for the particular needs of elderly
16 citizens of Kodiak Island. Further, that prior to the sale,
17 the following assurance is being made to the community and its
18 elderly citizens. One, that any on shore activities be restricted
19 to areas away from communities of Kodiak, Port Lions, Ouzinki,
20 Larson Bay, Karluk, Old Harbor and Akhiok. This is to assure
21 that sociological and economic impact of gas development will
22 be minimized for the elderly citizens of the area. In cases
23 where support activities, which by necessity involve the local
24 communities, adversely impact the elderly citizens at the
25 Federal Government, the oil companies take such steps as

1 appropriate to minimize these effects. These actions may
2 include but need not be limited to additional support for
3 senior citizens of Kodiak, provide services to the elderly,
4 which assure the maintenance and enhancement of their highest
5 level of independence with dignity in their community. Also
6 to encourage the Federal Government and the oil companies, to
7 assist other human service providers in the area, where the
8 effects of such developments adversely impinge on their client
9 populations, for example, mental health, alcoholism, police
10 protection, utility schools and so forth. In particular, the
11 Federal Government and the oil companies shall provide financial
12 assistance to the above groups to assure their services will
13 be...will meet the needs of the area residents. If gas is found
14 in sufficient quantities for the construction of liquidation
15 plants, the oil companies shall be required to make the gas
16 commercially available to the community of Kodiak and the
17 surrounding communities in order to supply their electrical
18 and home heating needs. This resolution was adopted unanimously
19 by the members present of the special meeting of the Board
20 of Directors, Wednesday, March 5th. Signed, Marian Fitzgerald,
21 President.

22 CHAIRPERSON: Thank you. Any comments to Reverend Childs?
23 Do you have an estimate of the proportion of...of people, let's
24 say over sixty-five in Kodiak population, is a high percentage
25 or ---

1 REV. CHILDS: I think Dennis can answer than I, he's got
2 the figures on his fingertips, here

3 THE CHAIRPERSON: All right, then, thank you.

4 MR. MURRAY: Well, we're just doing a 1980 census, in the
5 1970 census there were some two hundred and ten persons over
6 the age of 65 on the island, and that represented at that time,
7 I believe about nine or ten percent of the population.

8 MR. JONES: Are most of the homes uh...here in Kodiak...
9 heated by fuel oil? What kind of a heating system do you use?
10 In most---

11 MR. MURRAY: I believe the majority would be...I don't...
12 it's not an area of expertise, but I believe the majority
13 would be home fuel, heating oil.

14 MR. JONES: You had in mind, natural gas, if it was discov-
15 ered here, or oil would be available here in Kodiak for the
16 use of gas.

17 CHAIRPERSON: Mr. Murray?

18 MR. MURRAY: Yeah, I just wanted to uh...first of all, make
19 a comment, I think I first uh...I remember you from uh...a display
20 you had... at the fair? Uh...

21 CHAIRPERSON: Oh, that the O.C.S. office had, yes.

22 MR. MURRAY: We talked a bit there about some of the concerns
23 uh...of older people in the community and I just wanted to follow
24 up with what Bob said that, you know, we have, as an organization
25 been following this and uh...certainly our local O.C.S. advisor

1 committee has kept us informed of the progress, and it...it
2 is rather distressing, uh... as they ask us to review the
3 documents as they came through and the first couple of drafts,
4 you know, were pretty much negative on, you know, in terms of
5 elderly, as Bob pointed out, in fact a word that really had the
6 organization rather upset was in one of the drafts, it mentioned
7 that uh... of the elderly who chose to stay in the community
8 and were forced to leave because of the pressures of the...the
9 impact of such developments, so those unwilling or unable to
10 move, may become increasingly destitute, alienated and anomic (sic)
11 and uh... we knew what the first two meant meant but we had to
12 look up the third. Basically, Webster's Dictionary said that
13 it meant the group lacked purpose, identity, and ethical values
14 in the person or society, and it was disorganization rootlessness.
15 And uh... I think it's part and parcel of the problem of D.E.I.S.
16 and I think the attitude obviously of some of the people
17 involved in putting the thing together that, to be so negative
18 about the effects of something this large on a community and
19 particularly on the citizens of that community, and other speakers
20 that you've had during the day have talked about the problems
21 that obviously, we feel, I think the community fees, are
22 associated with...with oil and gas development and is simply
23 not addressed. I think every speaker you've had is...I looked
24 in the last, I hope it was the last, copy, or the one that's
25 presently before you, on the Draft Environmental Impact Statement.

1 there's hardly any language that I could find, I looked under
2 all the different things I thought elderly would be under, and
3 there's hardly anything, I guess, if one were to say, you know,
4 in terms of relativity what's better, I suppose nothing, saying
5 nothing is better than saying what they were saying before. But,
6 saying nothing doesn't speak to the concerns and the issue
7 that this kind of develop and impact, you know, has positive
8 aspects, but by the same token it has some potentially adverse
9 impacts, and why can't we speak to those issues in the D.E.I.S.?

10 CHAIRPERSON: What's that word again?

11 MR. MURRAY: Anomic. You know, I think the elderly people
12 particularly as a...excuse me, going on here, feel that they
13 have an identity and they have roots, and uh... you know, one
14 of the initial draft studies spoke also, it said that those
15 people because they're not in the economic, they're not into
16 the uh...the uh...boom philosophy, or whatever, more employment,
17 more business, that they're gonna out-migrate. And I think
18 it's a, it's a appalling, that we would say, O.K., if you can't
19 cut it just because you're old, leave, when these same people
20 were the ones who were here and built the community for...
21 you know, from fifty years ago. And we're saying to them, well
22 now you can't compete at the market place and employment, uh...
23 so, so leave. And I think that's...that's certainly not what I
24 think the... D.E.I.S. should be speaking to.

25 CHAIRPERSON: Any comments? O.K. Thank you both very much.

1 Thank you for coming. Uh... how are we doing? The next, a
2 Thomas J. or Rebecca Miller. Or is that Thomas J. and Rebecca,
3 Miller?

4 MR. MILLER: Or.

5 CHAIRPERSON: Or. O.K.

6 MR. MILLER: Good evening, my name is Tom Miller. I'm
7 here representing the opinion of myself and my wife, uh... both
8 local residents of Kodiak with regards to the evaluation of the
9 Draft Environmental Impact Statement for oil and gas lease sale
10 number 46. Quoting from Page 1, paragraph 1, of the D.E.I.S.,
11 "The Federal Government is required by law to help meet the
12 energy needs of the nation in an environmentally safe manner.
13 While overseeing the development, the Federal Government must
14 insure the human, marine, and coastal environments are protected."
15 In light of this mandate, I have sever reservations about this
16 Draft Environmental Impact Statement, which I consider to be with
17 bias, haphazardly constructed, often illogical, and at times
18 without proper data grounding. The bias present purveys much of
19 the article. It's tone is to promote domestic oil production, now,
20 without appropriate regard to the environmental impact. The
21 article attempts to justify the crash development of our oil and
22 gas resources...resources, by misleading the reader as to the
23 why of our present oil crisis. Again, from Page 1, "In contrast
24 to development in other oil importing countries, the volume of
25 U.S. oil imports rose more because domestic production was lower,

1 not because domestic use was higher. Between 1973 and 1977, U.S.
2 oil production declined by one point two (1.2) million barrels
3 a day. While use increase by one million barrels per day."
4 This statement is misleading. A more accurate statement would be
5 that U.S. oil imports rose during that time frame, because
6 failing... because following domestic oil production could not
7 keep pace with continued and increasing flagrant waste of
8 petroleum crude by this country. Most, if not all of the western
9 oil importing countries during the period of '73 to '77, cut or
10 held constant their foreign oil imports. And for the most part,
11 that wasn't because they increased domestic oil production. Many
12 of these countries just do not have the oil to produce. I assume
13 these countries became more discretionary in their oil use. The
14 The strengths of the economies such as West Germany and Japan
15 during that period, are common knowledge. Therefore, our strategic
16 need for crash development of domestic oil reserves to meet our
17 strategic need for oil, must be tempered with a strategic need
18 for oil conservation. Clearly conservation is the quickest and
19 most durable road to present and future economic stability. Second-
20 ly, a sense of uncritical pro-oil bias permeates the failure of the
21 D.E.I.S. to explain...to...to the Kodiak community the full impact
22 of its ignorance. How can the compensatory funds as described on
23 Page Thirty Thr...Thirty Two, titled Three and Four of the O.C.S.
24 Land Act, be realistically managed if there exists no means to
25 evaluate deleterious impacts of oil pollution on the commercial

1 fisheries. And, the consequent costs or apparent earnings to the
2 Kodiak fishermen. That's stated on Pages 110 and 111, "It is
3 a possibility that populations of king, tanner and dungeness
4 crab could be reduced by activities associated with oil and
5 gas production in the proposed lease area. The amount of
6 population reduction cannot be estimated. Chronic pollution
7 events covering egg release and larva-rearing areas could reduce
8 the population of these areas substantially. Effects of this
9 proposal on the shellfish species of the area would be a reduction
10 of population. Effects are unquantifiable at this time." There
11 is illogic and at times a lack of sound data base. On Page 94,
12 of the D.E.I.S., " The hydro-carbons in the natural liquid
13 state on the Kodiak shelf are expected to be gas condensive fluids
14 with short, straight chains. These short chain hydro-carbons are
15 more toxic than longer ones." And yet, throughout the statement,
16 most of the data pertained to fishery affects is gleaned from
17 oil, not gas studies. For example, on Page 109, "Studies by
18 Rice and other, '76 tested Cook Inlet and other oils against a
19 number of oceanic organisms, including larval tanner and
20 dungeness crab and juvenile king crab." Page 104, "The effects
21 of oil on both attached and pelagic littoral organisms have been
22 studied along many coasts." I fail to see that data base or
23 logic in the following statement from Page 104, "There are
24 many salmon streams in Kiliuda Bay and Stikalidak Straits where
25 spills from an onshore facility and tanker loading might occur.

1 At least one of the streams is a major spawning site for pinks.
2 The effect of a spill on the salmon streams can probably be
3 estimated with the natural difference in the size of the
4 strong and weak year classes of pind salmon. During the past
5 30 years in Kodiak, the commercial catches on the weak years
6 have averaged about one-third the poundage of the catches on the
7 strong years. The natural difference between good and bad year
8 classes implies that the catch of salmon near the onshore
9 facility in Kiliuda Bay might be reduced by a third as a result
10 of a spill." Again, I am unable to comprehend how the specific
11 dollar impacts on the commercial fisheries were arrived at, for
12 the proposed alternatives 1, and 4 through 6. On Page 32,
13 "Pink salmon in the esturine areas could be vulnerable to spills
14 of oil or gas condensate spills. The commercial magnitude of the
15 impact on pink salmon may equal 1 to 7 million real dollars to
16 fishermen over the projected life of the proposal. The impact
17 to both fishermen and processors may equal twice as much, however,
18 both of those projected impacts would be paid by the offshore
19 oilspill pollution fund." And again, Page 32, "Commercially
20 exploited populations of king, tanner, and dungeness crabs may
21 suffer minor declines and reduction in market values as a result
22 of the project. The impact lmay be caused by major hydrocarbon
23 spills from offshore platforms and pipelines. The magnitude of
24 the impact of a major hydrocarbon spill on the projected value of
25 eastside Kodiak crabs could range from 5 to 30 percent. This

1 means the impact may equal .8 to 48 million real dollars over
2 the life of the field." And again, on Page 32, "Commercially
3 exploited shrimp and larval in Kiliuda Bay may suffer a minor
4 population decline during the life of the project. The impact
5 would result from low-level chronic pollution due to small,
6 accidental spills from the proposed LNG facility and tanker
7 loading terminal in Kiliuda Bay. The commercial magnitude of
8 the impact will be a small percentage of the total value of
9 Kodiak shrimp." All of this, the above, must be taken in light
10 of a statement encountered in Section 4a2c. Specifically Page
11 112, "Effects on shrimp cannot be quantified but enough informa-
12 tion exists to assume a decline should chronic or massive
13 pollution events occur." On Page 111, "Effects of this proposal
14 on the shellfish species of the area would be a reduction of
15 population. Effects are unquantifiable at this time." The
16 haphazard construction of the D.E.I.S. is exemplified by the
17 very brief and frequent illusion to the oil and gas lease sale
18 number 60 on the west side of the island. How can the Kodiak
19 community, let alone the Bureau of Land Management, assess the
20 cumulative effects of oil and gas production where we are only
21 focusing on half of the involved project? The frequency of the
22 above deprecating qualities is significant. As such, the D.E.I.S.
23 lands an inadequate basis upon which to judge the impact of the
24 proposed oil and gas lease sale number 46. Being unable to assess
25 the impact of the sale, I can only recommend a no sale position

1 in light of the highly abundant, labile, and valuable resources
2 that the Kodiak community manages for the people of this nation.

3 CHAIRPERSON: Thank you, Mr. Miller. Any questions or
4 comments of Mr. Miller?

5 MR. CURLIN: In your last closing statement, the no sale
6 option, we heard testimony today, there's a five year delay to
7 fill in some of the gaps that you suggest. Uh...has been...has
8 been raised uh...if you did disagree, I take it though within
9 five years we could come up with sufficient information to uh...
10 to enable reconsideration of the sale at that time?

11 MR. MILLER: No. Uh... when a new proposal comes up, I, I'm
12 going to consider it. But at this time based on that, yeah, based
13 on the present D.E.I.S. Uh...my only recommendation is to no sale,
14 I can't see the impacts in my judgment haven't been considered.
15 Enough. But when one does come up, I certainly will, you know,
16 that will be a completely new system, new proposal, a new impact
17 statement to evaluate.

18 MR. CURLIN: Thank you.

19 CHAIRPERSON: Thank you, Mr. Miller. Mr. Santoro? Are you
20 ready to testify? Mr. Lee Santoro, from the Student Council,
21 Kodiak High School.

22 MR. SANTORO: Kodiak High School Student Council, right.
23 Thank you for your time. My name is Lee Santoro and I'm a high
24 school senior. I represent the high school student council and
25 uh...we as leaders feel proposed oil and gas lease sale number 46

1 has many negative social economical and environmental impacts,
2 enough so that a no sale alternative is our recommendation. We
3 realize the economic and strategic advantages of off shore
4 natural gas development and the production of natural gas would
5 have a positive effect on this island. As leader, before we can
6 make a decision, we must weigh all the advantages and disadvantages.
7 First, let's look at some of the advantages. Number 1, there is
8 an eight percent chance of finding commercial resources. Two,
9 gas resources, if found, within the proposed lease sale could
10 probably be as high as 13.94 trillion cubic feet, but would
11 probably be more like 5.35 trillion cubic feet, which is the mean
12 case. Three, gas production would reduce our nation's energy
13 dependence and with this, cause more economic stability. On
14 some of the disadvantages, are, one, the proposed sale is a high
15 risk area; two, estimates of resource potential are inherently
16 speculative; three, estimated life of this field is only twenty-
17 five years; four, irreversable and irretrievable life-style
18 elements could be lost from Kodiak Island natives. Five, pink
19 salmon, king, tanner and dungeness crab would suffer due to
20 hydrocarbon spills, shrimp populations would sever due to the
21 size of the LNG plant, marine vessel traffic conflicts would
22 occur due to the volume of tanker and traffic associated with
23 production of activities; eight, commercial fishing would suffer
24 due to gear damage and operational destruction caused by industrial
25 supply boats; nine, visual impacts on and off shore and wilderness

1 resources value would be... or would decrease due to direct
2 result of the LNG plant. There's a probability of .65 of a
3 major oil spill over one hundred thousand... or a thousand barrels,
4 excuse me, which means that there will be 1.1 oil spills in life
5 of the field, according to the statistics. Um...smaller spills...
6 that goes on to say smaller spills could be...could contribute
7 to more pollution and major events. And uh...another thing,
8 eighty percent of most O.C.S employment is imported; twelve,
9 it would be a lead to increase in property tax, and thirteen, the
10 worst possible cases for large volume oil spills blow-out wells
11 or production wells could go uncontrolled for months. The impact
12 survey sets an example of two thousand barrels per day for sixty
13 days. And it goes on to say, that it would take four months
14 to completely shut out a blow-out well. Presented with these
15 facts, we feel that the no sale alternative is the only one that
16 would completely eliminate the impacts of the economy and
17 the commercial fishing in Kodiak. Thank you for your time, do
18 you have any questions?

19 MR. CURLIN: I was just wondering what process you went
20 through in the Student Council to come up with those conclusions,
21 they're very succinct and very straightforward. Did you make a
22 uh...a joint review among the council, or did you---

23 MR. SANTORO: No, this is mostly my thing and uh...and
24 went through and just kind of figured out uh...mainly we started
25 out with the idea that we were pretty much against what oil had

1 to give to Kodiak, cuz it didn't have that much to give to Kodiak
2 and we went through and...and what can it give to us and uh...
3 we went and uh...just evaluated, do we want oil, you know?
4 According to this Environmental Impact Statement and according
5 to the Environmental Impact Statement as it is and as the facts
6 that we see now, we feel that it's not safe and we should'nt have
7 oil in Kodiak. Thank you.

8 CHAIRPERSON: Thank you very much. We have a number of
9 people yet to testify, including a panel of students from Old
10 Harbor, uh... do you have school tomorrow?

11 ANSWER: They'll be travelling back to their villages
12 tomorrow.

13 CHAIRPERSON: Oh. If you all don't mind then, if we take
14 a ten minute break and uh...come back with Mrs. Moen and then the
15 panel from Old Harbor High School.

16 (OFF THE RECORD)

17 CHAIRPERSON: Let's come back to order, please. Our next
18 witness is Anne Moen, uh...representing the Kodiak Island Borough
19 O.E.D.P. Advisory Group, right?

20 MS. MOEN: Committee.

21 CHAIRPERSON: Committee. Thank you. Welcome.

22 MS. MOEN: Madame Chairman, Distinguished Panel Members,
23 Ladies and Gentlemen. Good evening. I'm Anne Moen, Chairman
24 of the Kodiak Island Borough O.E.D.P. Committee. And my testimony
25

1 in Anchorage on March 4th, I gave you a brief description of the
2 Kodiak Island Borough O.E.D.P. Committee's organization and
3 functions. I would like to reiterate that description for the
4 record. The Kodiak Island Broough overall economic development
5 program committee was established by the Borough Assembly in 1968.
6 Its fifteen members represent the various sectors of the community
7 and including among its present membership, representatives of
8 government, business, industry, labor, and professions and native
9 groups. The O.E.D.P. Committee is charged within its bylaws, to
10 advise the Borough Assembly and to be the principal coordinator
11 of the various activities within the Borough to stimulate private
12 and public investment and to provide permanent employment and
13 growth opportunities throughout the Borough. Thus, the Committee
14 takes a great interest in O.C.S. oil development activities in and
15 adjacent to the Kodiak Island Broough. The O.E.D.P. Committee
16 in its 1979 program as adopted by the Borough Assembly on August
17 3rd, 1979, addressed the O.C.S. oil development issue in several
18 sections of this report. Portions of which I would like to read
19 into the record. And I submitted one copy of our report at the
20 Anchorage hearing. Pages 17 and 18, "The Alaskan fishing industry
21 appears to be on the verge of significant expansion in Kodiak,
22 with its abundance of marine resources, could attract many of the
23 jobs involved, but only if it can provide the space and services
24 necessary to support expanded industry. At the present time,
25 however, Kodiak utilities and community facilities are seriously

1 strained. Current power and water systems are inadequate for the
2 requirements of an expanded fish processing industry, and housing
3 for workers is expensive and in short supply. The boat harbor,
4 city dock and cargo facilities are inadequate to serve present
5 needs. Onshore employment associated with O.C.S. oil exploration
6 and development could seriously aggravate existing social
7 economic problems in the area. A sudden population boom would
8 require expansion of services that the boom would be too short-
9 lived to finance. The boom would also drive prices and wages
10 up which could well force the fish processing industry to move
11 out of Kodiak. The result could easily be a post-boom depression.
12 If oil is found, and if oil terminal development is required in
13 the Kodiak archipelago, it should be sited well away from both
14 the urban area and the villages. The developers should be required
15 to assume all responsibility for all utilities, services, and
16 community facilities for temporary and permanent work forces."
17 And Pages 73 to 75, "Kodiak's O.C.S. situation is different from
18 most other communities in Alaska. In most Alaska communities,
19 the trade-off is between environmental quality and economic
20 O.C.S. related growth. A basis for substantial economic growth
21 already exists in Kodiak. But so do physical limitations of
22 inadequate housing, water supply, power generation, and roads.
23 If O.C.S. development occurs, it will put additional strains on
24 the existing infrastructure system. Consequently, the O.C.S.
25 trade-off in Kodiak involves not only environmental quality, but

1 also a continuation of the area's civilian non-O.C.S. related
2 economic growth. Kodiak seafood processing industry is particular-
3 ly vulnerable to O.C.S. impacts. The most critical factors for
4 the processing industry are one, the availability; two, the cost
5 of labor; three, the housing supply available for seasonal labor;
6 and four, the availability of electric and water utility services.
7 If major O.C.S. development occurs, all of these factors will be
8 negatively affected." And at that point, the report goes on for
9 about three pages to show how they will be negatively affected.
10 I won't burden you with that, tonight. Pages 80 to 81, " The
11 O.C.S. lease sales for the western Gulf of Alaska and Shelikof
12 Strait, near Kodiak, encompass areas which are a vital part of one
13 of the richest marine eco-systems in the world. Are all
14 notorious for severe weather and high winds, and include regions
15 of extreme seismic risk, thus O.C.S. development offshore of
16 Kodiak is viewed by most Kodiakians as a very real ecological
17 threat to their mainstay fishing and fish processing industries.
18 As opposed to O.C.S. development, the bottom fish industry holds
19 out the promise...holds out the promise of significant development
20 in keeping with Kodiak's present economy and community preferences.
21 A report to the Alaska legislature by the interim committee on
22 resource matters, titled "The Potential for Expanding into an
23 Alaskan Bottom Fish Industry", dated January 1, 1978, identified
24 Kodiak as a "prime immediate location" for shore based processing
25 plants. And on Page 83, "O.C.S. impacts should not be allowed to

1 disrupt Kodiak's long-term economic potential. They should be
2 accomodated to provide maximum benefit to the Borough's economy,
3 but should not cause a disruption in the supply of either labor
4 or utility service required by non-O.C.S. industries." The 1979
5 O.E.D.P. report stated O.C.S. development goals and objectives
6 require that overall planning and regulation of any and all O.C.S.
7 related activities be vested within the Borough. If the stated
8 objectives are not met, the goal then is to discourage O.C.S.
9 related activities. Additionally, the overall emphasis of the
10 development...development priorities in the Kodiak Island Borough,
11 is to support the state objective to foster the development and
12 growth of the fishing industry in and around Kodiak. Page 85,
13 "The O.E.D.P. committee's strategy of encouragement to those
14 activities of services which support expansion, of the areas
15 renewable natural resource based industries, that is fisheries
16 and fish processing, primarily, leads it to believe that the
17 intrusion of O.C.S. oil development could be detrimental. For
18 example, the Alaska Department of Community and Regional Affairs,
19 Division of Community Planning, recently released its Phase One
20 Report on Community Planning and Development for the bottom fish
21 industry, November of 1979. Which states that "O.C.S. oil develop-
22 ment poses a potential risk to the fish processing industry and
23 particularly to development of a bottom fish industry where high
24 labor costs already jeopardize commercial feasibility." The D.E.I.S.
25 fails to recognize the priority place on commercial fishery

1 development in the Kodiak area. It implies that all of their
2 industries, including fishing, must accomodate oil development,
3 rather than the reverse. The stress that O.C.S. oil development
4 will place on the Kodiak Island Borough infrastructure, could
5 greatly reduce the viability of other industries, particularly
6 the fishing industry. Further, the D.E.I.S. fails to recognize
7 the impact of the emergin bottom fish industry. Page 83 for
8 example, states that "In terms of value, the ground fish species
9 are expected to account for slightly more than eight percent
10 of the Kodiak harvest. The ground fish fishery is expected to
11 be relatively minor with respect to the number of boats, landings
12 or fishermen." The total impact of this in the D.E.I.S. is
13 grossly misconstrued. Please note that the D.E.I.S. fails to
14 state that, because of the low unit value of ground fish and
15 overall eight percent value increase in landings due to bottom
16 fish results, due to bottom fish, results in a considerable increase
17 in terms of boats, landings and fishermen. The community regional
18 affairs bottom fishery part reference previously states that,
19 especially in the light of present overcrowding, any bottom fish
20 development in Kodiak will certainly add considerably to the
21 already major existing need for more berthing and harbor facilities.
22 Other inadequacies in the D.E.I.S. are obvious in regards to its
23 implication that Kodiak's fishing industry is of minor economic
24 importance. In that light, the Kodiak Island Borough O.E.D.P.
25 Committee supports the Kodiak Island Borough Assembly's position

1 recommending the no sale alternative. Based upon inadequacies
2 in the D.E.I.S. The O.E.D.P. Committee passed a resolution
3 recommending the no sale alternative to the Borough Assembly,
4 on January 23rd, 1980, which was read into the record at the
5 March 4th, Anchorage hearing. Thank you, Kodiak Island Borough,
6 O.E.D.P. Committee. Anne Moen.

7 CHAIRPERSON: Thank you. Any questions or comments to
8 Miss Moen? (No response) Thank you. Next is a panel of Old
9 Harbor High School students, Phyllis Haakanson, Jeff Peterson,
10 Rick Rolland, and Larry Melovedoff, and Mr. Osborne, are you--

11 MR. OSBORNE: I'll be up---

12 CHAIRPERSON: ---you'll be up helping them also. Who's
13 missing, oh.

14 MR. OSBORNE: Good evening.

15 CHAIRPERSON: Good evening.

16 MR. OSBORNE: My name is Bill Osborne and I am employed
17 by the Kodiak Area Native Association on the fisheries education
18 development project for the high schools in the several Kodiak
19 Island communities. In that capacity, I've been working with
20 high school students in the Island's villages to help them under-
21 stand the impact that thirty years of oil and gas development may
22 have on their lives. The students studied portions of the D.E.I.S.
23 and reviewed the experiences of other communities impacted by oil
24 development. When offered the opportunity to attend this public
25 hearing in Kodiak, the students of Old Harbor High School were

1 concerned enough to prepare a testimony for this hearing. They
2 polled themselves and arrived at the conclusions you see on those
3 charts up there. (Indicating a chart) Phyllis Haakanson, a
4 twelfth grade student in Old Harbor will explain the results in
5 the poll and the testimony she prepared. Appearing before you
6 also with Phyllis, are Rick Rolland, a twelfth grade student from
7 Old Harbor, Jeff Peterson, on his right, a tenth grade student from
8 Old Harbor, and Larry Melovedoff, on my right, an eleventh grade
9 student from Akhiok. And Phyllis will speak first.

10 CHAIRPERSON: Thank you.

11 MS. HAAKANSON: I am a student of Old Harbor High. I would
12 like to present the feelings of Old Harbor High students. I have
13 a chart that shows the student's feelings. Each student was
14 given three votes to choose what they thought were the most
15 important factors affecting Old Harbor concerning oil development.
16 This chart only shows the top three votes of each of the two
17 categories. Other choices only received one or two votes each.
18 And so they are not listed here. The major disadvantage chosen
19 was fear or harm to the fisheries. The next two choices show
20 that the village life would change because of outsiders. The major
21 advantages, we need the tax money to pay land taxes on our lands.
22 Old Harbor's economic future may depend on oil resources. This
23 chart shows that Old Harbor students realize that they will not
24 always have fishing because of limited entry permits being so
25 expensive and not enough to live on. So we may need to look

1 toward other industries. On the other hand, the students are
2 afraid of major changes to their way of life. And some of our
3 agriculture sites may be ruined. A possible solution to minimize
4 the disadvantages and to maximize the advantages would be if...
5 that if oil development does occur, the students of Old Harbor
6 High would want to be able to voice their opinions in the control
7 of oil development. Thank you.

8 CHAIRPERSON: Thank you, Miss Haakanson. If you want to
9 read the chart for the record, that would be helpful, thank you.

10 MISS HAAKANSON: (Indicates chart) Disadvantages, harm to
11 fisheries, eleven votes; outsiders come to village, six votes;
12 disruption of life, five votes. Advantages, need for tax money
13 for native lands, ten votes; better facilities, five votes, and
14 more jobs available, five votes.

15 CHAIRPERSON: Thank you.

16 MR. OSBORNE: Next would be Rick Rolland, a senior from
17 Old Harbor.

18 MR. ROLLAND: Hi. My name is Rick Rolland and I'm a senior
19 at Old Harbor High School. Although I haven't read the D.E.I.S.,
20 when I was given tthe opportunity to attend this hearing, I jumped
21 at the chance. Because whatever happens with this sale, it will
22 affect the students in later years. My feelings at this time are
23 of some confusion. If the sale doesn't go through, we will not
24 be affected in any way, and our life-styles will probably not
25 change. But if the sale does go through, and oil is found, our

1 life-styles and job opportunities will change drastically. When
2 and if this change does occur, we would like to try to be able
3 to control the actions in and around our village. Thank you.

4 CHAIRPERSON: Thank you.

5 MR. PETERSON: My name is Jeff... my name is Jeff Peterson,
6 I'm a student from Old Harbor High School. I think that the
7 unemployment rate in Old Harbor will drop in about thirty years
8 because we are getting better education now, now than when the
9 older people in Old Harbor were growing up. Now I feel Old Harbor
10 ...now I feel Old Harbor students will get ahead in life with
11 a good education. Old Harbor is growing slowly, but I think it
12 is better than having it grow faster. Oil will not be around
13 forever. So we should look forward to other sources of energy
14 like wind power and ocean currents. I think it would be better
15 having oil rigs, I think it wouldn't be better having oil rigs
16 put near Kodiak. Oil rigs could cause a lot of disasters like
17 oil spills that could really hurt wildlife near Kodiak Island.
18 The wind power and ocean currents might have little effects to
19 wildlife but not as bad as a oil spill might be. Thank you.

20 CHAIRPERSON: Thank you.

21 MR. MELOVEDOFF: My name's Larry Melovedoff, and I'm from
22 Akhiok High School. What I'm concerned about is the location
23 of Akhiok. Whatsoever, Akhiok does not sit in the right location
24 of where it really should be. If anything should happen, Akhiok,
25 while Akhiok sits in the wrong location, there will be some bad

1 things that Akhiok will not like. What I mean by that is, if you
2 pass this sale and Akhiok is not in the right spot, and you start
3 to put something in the spot where Akhiok was supposed to be,
4 you'd be upsetting a lot of people just because a person did not
5 do his job. Having Akhiok in the wrong place will be a lot of
6 trouble for us and also for you. It would really concern a lot
7 of people as it did to me. So from what I ask, I would like you
8 to consult your map makers and tell them to put Akhiok where it
9 belongs on the map. (Laughter) As the saying goes, if you can't
10 do anything right at all, then don't do it. (Laughter)

11 CHAIRPERSON: Thank you very much. A constructive
12 suggestion. Any questions or comments of the panel. Bill, did
13 you have anything yourself uh...uh...

14 MR. OSBORNE: No.

15 MR. EDDY: Larry, would you repeat that last one again,
16 please? (Laughter) Show us where it should be, Larry. (Laughter)

17 CHAIRPERSON: He will show us where it's supposed to be.
18 Any comments or questions of the panel.

19 MR. KARAM: I just have one comment uh... I want to
20 commend you young folks for doing what you have done, I know it's
21 taken a long time, I have one at home about your age and uh...
22 to have prepared what you have prepared would have taken him four
23 or five days at least, and it wouldn't have been that good,
24 probably. And I want to congratulate you and commend you.

25 MR. EDDY: Let me ask a question that may not be fair uh...

1 for any of the panel members to answer. If you did have the
2 opportunity to work in an oil related activity, either on a
3 rig or a work boat, is that something that would be attractive to
4 you at some time, or would you prefer some other occupation?

5 MR. ROLLAND: Well, probably because uh...probably because
6 we want to get new opportunities for different jobs and to uh...
7 instead of just fishing for all of our life on a boat, we'd like
8 to try something different.

9 MR. OSBORNE: For once.

10 MR. ROLLAND: Right.

11 MR. JONES: I note that the score is twenty-two to twenty,
12 um... is that the way it should be interpreted, twenty-two points
13 of disadvantage and twenty advantages, is that the way you want
14 that interpreted?

15 MISS HAAKANSON: Yeah. (Laughter)

16 CHAIRPERSON: Jeff, you can (inaudible)

17 MR. PETERSON: Oil developments I think are too uh...too
18 quick, and I think slower jobs like it is now that are coming.
19 I think it would be better to just hang back on the oil cuz I
20 think it's too fast. I think we should try different things that
21 are uh...not as risky as the oil business.

22 MR. KARAM: Could I make one comment uh...you folks mention-
23 ed wind and wave power, you know, as alternatives, to oil, I don't
24 think you've probably gotten into that very much, yet you might
25 some time in the future, but the studies I've seen done for

1 example on wind power, it turns out that if you're going to go
2 in for wind power in a big way, from what we know now or what
3 we've seen, that we know, you do it out on the water somewhere,
4 because you have a nice flat area and you have more constant
5 winds than if you're on land with hills and wind breaks, basically.
6 And it takes a lot of windmills out there to generate any
7 preachable amount of power, it would create a lot of disturbance
8 to things like fishery. If you want to go to wave power, ocean
9 currents, as you put it, what you have to do, you have to dam it
10 somehow when it comes in, when the tide's in so that you can let
11 it out the way you...where you want it to go out and as fast as
12 you want it to go out and as it goes out it runs a generator, that's
13 one way of doing it. That would be a fantastic uh...disruption
14 of the coastline, for example. So, I bring this out because
15 there aren't any...there aren't very many, if any very good
16 alternatives, in the very near future, especially to uh...
17 gasoline and oil.

18 CHAIRPERSON: Any other questions to the panel or comments
19 of the panel? Thank you all very much for coming. Very good
20 testimony.

21 MR. OSBORNE: Thank you.

22 CHAIRPERSON: The next witness we have listed, let me ask
23 uh...first, if Vickie Stratman is in the room? She also is a
24 student, and she said she would be back this evening, but she
25 must have had to leave. All right. Mary F. Harder is the next

1 witness.

2 MISS HARDER: Good evening, Ladies and Gentlemen. I am
3 a member of the Kodiak Fishermen's Wives Association, however I
4 have not had a chance to clear my testimony with that organization,
5 so it will be my own. We've heard a lot of talk tonite about,
6 or this afternoon about fears, fears of the unknown, and since
7 that might be something quite as smart as it might be, but uh..
8 we haven't heard too much about intuition so I want to mention
9 that and really shock you a little bit, it's late and maybe you
10 want to wake up. There appears to be no place in the D.E.I.S.
11 which deals with the intuitive feeling by island fishermen that
12 gambling with oil development will be disastrous. Whether
13 intuition can be dealt with, adequately, we can at least look to
14 lessons from the past. In the 1930's the nations did suffer from
15 a major disaster in production. In that time, the culprit was
16 the nation's poor set of priorities. The calamity which turned
17 the great plains into a dust bowl, was not because of the stupidity
18 of the farmers, they were aware that agricultural practices were
19 a flirtation with disaster, they knew well of the thin layer of
20 top soil and the dangers of repeated grain crops. But at that
21 time, it took a wagonload of wheat to buy a pair of shoes. The
22 government hadn't seen fit to be concerned with whether that was
23 an adequate trade. The resulting tragedy spelled chaos, for more
24 than just the farmers. That misfortune was not unforeseen. The
25 pressures of poverty, however, overcame wisdom. Similarly, the

1 trade off of a known resource for an unknown, causes the cautious
2 person to shudder. Are we displaying a poor set of priorities
3 given the facts of a world in which people are starving? Are
4 we ignoring other energy sources that will not endanger the food
5 supply? What will be the impact on, not just this island, but
6 this nation, with such a questionable value system determining
7 its course? Certainly intuition should be heeded. It does seem
8 likely that those who are most familiar with our waters, know
9 it best. Those feelings should also be considered. There is no
10 successful fisherman who doesn't adhere to his hunches or intuition.
11 Despite new findings and a grouping body of evidence in parapsy-
12 chology, the subject is not addressed in the D.E.I.S. Again,
13 there appears to be universal apprehension among fishermen
14 regarding exploratory drilling. A drilling rig will require a
15 space of about one square mile. The oil company will request
16 that there be no fishing in that space. Six hundred and forty
17 acres out of production on land would deprive us of a hundred
18 and twenty-eight beef cattle. But what would be the loss in
19 seafood production? Or seafood protein, for six hundred and
20 forty acres? Many, many thousands times more, though the D.E.I.S.
21 fails to address it. In reality, of course, the drilling rig on
22 land would require only a few square feet. Until all possible
23 land sites are exhausted, should we be contemplating such a
24 venture? The ordinary day by day happenings that the D.E.I.S.
25 treats lightly are numerous. What happens when a fisherman

1 suffers a breakdown of equipment? In fishing, and particularly
2 in salmon and herring, there are short intensive runs. The
3 fisherman is highly dependent upon prompt service from the
4 airlines, local airways, and repair services. If he suffers
5 delays, he can easily lose his season. It has been aptly
6 demonstrated in other areas, which of the competing industries
7 will have the power to control those services. A loss of income
8 causes more than just financial problems. Social problems
9 follow close behind. The strains on fishing families are
10 particularly crucial due to the absences of fishermen. In
11 prosperous times, wives and children, especially, but also
12 fishermen are more able to cope with a difficult situation. But
13 with financial problems, the divorce rate tends to greatly
14 increase. AS an ex-school teacher, I can attest to the trauma
15 of children during a family breakup. These factors should be
16 considered in depth in the DWE.I.S. Lastly, I feel that the
17 D.E.I.S. gives no importance to the great traditions and
18 culture of a segment of our population that has a long and
19 important role in the life of this nation. The first industry
20 in the New World, from a European viewpoint, was fishing. For
21 over one hundred years, before the Pilgrims landed, English
22 fishermen were fishing off our eastern shores. Fortunately, at
23 least two Indians, Samoset and Squanto, learned English from
24 those fishermen. The Massachusetts Bay Colony would not have
25 survived had it not been for the help of those Indians. This is

1 just one role the fishing industry has played in the life of
2 this nation. There are many others. Not the least of which,
3 has been the one of trying to teach a slow to learn government
4 the importance of our surrounding seas. What will happen to
5 this nation when the United States fishermen are gone and only
6 well subsidized foreign vessels are able to take the resources
7 off our shores. In closing, let me say that I do not know any
8 fishermen who are not apprehensive regarding oil and gas exploration.
9 However, I think that few will be testifying. The D.E.I.S.
10 was not that available to busy people out fishing. It required
11 lengthy reading and the entire process of registering, studying
12 and preparing a statement, was intimidating, even though not
13 by design. To assume that fishermen are simply without knowledge
14 are easily frightened by change would be a great mistake.
15 Fishermen have access to information from fishermen around the
16 world. Their attitude and stories are generally at odds with the
17 assurances given by the oil companies. Also, this is a far
18 different area than those given as examples. There is a need
19 for impact statements to develop an accurate determination of the
20 wishes of a community and of those who live by the sea to create
21 a more valid document. Thank you.

22 CHAIRPERSON: Thank you, Mrs. Harder. Any questions or
23 comments of Mrs. Harder? Joe Curlin.

24 MR. CURLIN: I think Mrs. Harder gave us a most thoughtful
25 presentation, uh...my experience with fishermen in general, Alaskan

1 fishermen in particular, is that indeed they are not only
2 knowledgeable, and forceful in presenting their thoughts, but
3 there's also a great deal of political clout. And anyone that
4 takes on a fisherman in Washington, is asking for a run of it,
5 I can assure you. Uh...it's a very strong political force and I
6 ...I don't believe they're a bit shy in presenting their position
7 as you well reflected as a fisherman's wife.

8 MRS. HARDER: Well, I hope they have a little more clout
9 than you think...uh...you think they or you say they have, because
10 uh...we haven't noticed that always. And, we have noticed that
11 there haven't been very many fishermen up here today. There's
12 been some excellent testimony, but we haven't had as many fisher-
13 men as we would normally have. So, but my husband will come, but
14 I hope he'll say something. Thank you. Anybody else?

15 CHAIRPERSON: Uh...Chuck Eddy has something.

16 MR. EDDY: I'd also like to thank you for a fine statement,
17 um...following my intuition on one statement that you uh...you
18 did make, uh...you suggested that a platform would uh... permanent-
19 ly displace a uh...portion of the catch. Uh...is...that doesn't
20 seem like it would be necessarily the case given the mobility of
21 the fish population. Uh...could you explain what you were
22 driving at there?

23 MRS. HARDER: Well, what I was referring to, I attended a
24 meeting the other day where there were some oil people there
25 explaining that the area around the drilling rig was about the

1 size of a mile, square mile. Which is, of course, six hundred
2 forty acres. They said that they would prefer that there would
3 be no fishing in that area. Because it might interfere with
4 their operations and what not. So they asked that there would
5 be no fishing in that area, where the drilling rig was, and it
6 did cover an area of six hundred forty acres.

7 MR. EDDY: I suspect that they were referring to certain
8 types of exploratory drilling rigs which are all on site for a
9 matter of a few months and then they're mobile rigs used for
10 exploration only. But with the permanent platforms, uh... I've
11 seen fishing right up to the...right up to almost the platform
12 themselves, in the Gulf of Mexico.

13 MRS. HARDER: Uh huh. Well, I'm not a fisherman, myself,
14 so I really don't feel like I can address that subject too well,
15 I was just referring to what uh...he had told us, yes.

16 MR. CURLIN: During the exploratory stage, uh...with the
17 anchors out probably is about a mile and a quarter, but once you
18 reach the development stage, and erect a permanent platform, you
19 probably only have about two acres under the platform, that actual-
20 ly has to be restricted. You can fish right up to the platform,
21 otherwise.

22 MRS. HARDER: I don't know that much about it, but uh...
23 I'm just going by what---

24 MR. CURLIN: At least, on the Gulf of Mexico, that's true.

25 CHAIRPERSON: Thank you very much, Mrs. Harder. Um...Mr.

1 Harder.

2 MR. EDDY: I think Mr. Harder should be put on notice that
3 he's got a tough act to follow.

4 CHAIRPERSON: He probably knows that. (Laughter) Good
5 evening.

6 MR. HARDER: Good evening. My name is Ole Harder, I'm a
7 commercial fisherman and as a matter of fact, all I brought was
8 some notes, if I remembered to bring them. Um... I've fished in
9 Alaska for about, for well over thirty years. In all phases of
10 fishing, I don't think there's any fishing in Alaska, I haven't
11 taken part in. Uh... I own a couple of fishing vessels, I've
12 invested into two more. I also owned...a part owner in a
13 processing firm. The Floating Ship, that personally processed
14 here on the Island. So, I'm concerned, naturally. We need oil,
15 I'm well aware of that and um...as a matter of fact, I've invested
16 hard earned dollars in oil drilling. We had oil drilling done
17 in some of my wife's land in Colorado. So I'm well aware of the
18 needs of oil. All I think is this is a poor time for the govern-
19 ment to take a chance in drilling in these rich fishing grounds.
20 I think they're premature, I could see maybe ten years, maybe
21 fifteen years on down the line, as it becomes ~~more~~necessary ~~we~~
22 might have to go in here. I've watched closely what's happened
23 in other drilling areas, such as the North Sea, Shetland Islands,
24 and I've watched what happened there to the fishing community.
25 The real estate people and the business people did quite well.

1 But, the fishing community didn't do well. There was severe...
2 there was at least one severe blow out in the North Sea, I'm
3 sure you gentlemen are all aware of it, and I think that was an
4 American company, if I'm not mistaken, I think that was union,
5 I've forgot, but there was a severe blow out. But they did, they
6 did happen eventually though. But it does happen. And we saw
7 a tanker over here in Prince William Sound not so long ago,
8 drifting a mile and a half off the beach. I think it was fully
9 loaded at the time, if I'm not mistaken, and the tug boats
10 couldn't handle the tanker, and with the wind and so forth goin'
11 and another mile and a half, you would have had a serious oil
12 spill there. So I think everybody pretty well realizes that there's
13 going to be an oil spill sooner or later, and there's going to
14 be some kind of damage. Now that's something we can't avoid.
15 But, like I say, I realize sooner or later we're going to have to
16 do it, but I just can't understand the Federal Government going
17 into drilling here at this stage of the game and there's many
18 other places that are not nearly as valuable...in the resource.
19 My thinking is it was a poor adjustment in the Federal's part,
20 it'd be like Bristol Bay or some other rich fishing ground if
21 you go in there and take a chance, it's poor judgment. Uh...well,
22 I'm bettin' something about various things about you talk about
23 your safety and I'm sure the oil company does an excellent job
24 about being safe, but I can't...I know that Three Mile Island,
25 I'll bet they had a whole bunch of safety systems on there, and

1 see, she still went. Something could happen sooner or later,
2 and so forth. As far as fishing with oil out there, I, with oil
3 rigs out there, I see some problems but nothing I can't live with
4 when the time comes, I 'm sure we can fish around it, there will
5 be a problem, in places, uh...if for instance, your scallop
6 fishing where we use a very heavy dredge, that weigh several ton,
7 I could see that you catch it onto a pipe, probably, you know,
8 and maybe do some damage. And, if you're long lining for halibut,
9 you like to lay with the tide in, with the tide, you come up to
10 the pipeline as a corridor and you have to shear off a little bit
11 to the side, and so forth and it's not a very nice way to pick
12 your day of back up again(sic). And the crab, there's going to
13 be a time it's going to interfere with your crab fishing, I think
14 when the time comes, when we have to drill for oil, that's the
15 price we have to pay. Uh...right now in this fishing industry,
16 we're like the farmers uh...the bureaucrats, military, everybody
17 gets a raise. We are personally fishing, I think for probably
18 about thirty percent less than we did two years ago. Most of our
19 prices has gone down, the cost has gone up, and so, for the
20 generally speaking, if I take a cut all the way across, maybe
21 thirty or forty percent less in the fish, when you figure on
22 inflation. So the fishing industry is in serious problem, finan-
23 cial problems. Uh... the companies and so forth, are trying to
24 figure out how to cut the losses, not how to make money. And
25 that way, of course, if the oil people come in and uh...start

1 paying eighteen, twenty dollars an hour, I think neighbors
2 canning workers gets about six or seven dollars an hour now,
3 and there was fishermen I don't think make the minimum wage,
4 and the reason for that is of course, is they fish seven days
5 out of the week and eighteen hours a day, you know. So by
6 the time you figure that out...they aren't really making that
7 kind of money. There was a few good years here, but I fished
8 here for thirty years and there was out of the thirty, we might
9 have three or four good years, the rest of them have been
10 mediocre or tough years, it's not a very lucrative business.
11 Something you have to like to do. Uh...what it comes down to
12 is that if eventually, oil does come in here, and uh...and you
13 start building extensively, but I'm talking about several
14 thousand people, you know, labor and so forth. There's no
15 question that the people here are going to go for the high bucks,
16 you know, it's ourself, so we're going to lose our men,,
17 and the cannery's going to lose their men, and that doesn't leave
18 us much choice, uh...uh...particularly for uh...uh...the villages,
19 it could hurt them badly, I know that much, and uh... in my case,
20 I could probably sell out and make fifty cents on the dollar, or
21 could move out to another fishing area that isn't impacted by the
22 oil industry. That's pretty well all I have to say, thank you.

23 CHAIRPERSON: Thank you, Mr. Harder, any questions or
24 comments to Mr. Harder?

25 MR. HARDER: Thank you.

1 CHAIRPERSON: Thank you very much. Mr. John Eufemio.

2 MR. EUFEMIO: Hi. Thank you very much, I'm Dr. John
3 Eufemio, I'm a...I've uh...been a doctor in Kodiak for about
4 fifteen years, and I'm speaking as a private citizen. And if
5 I represent anybody, it's the large group of people in Kodiak
6 that want to see oil being developed here. Uh...I am not...I
7 am very pro-fishing, in fact I own half interest in a fishing
8 vessel, but I am also not anti-oil. I think that we can take
9 these anti-oil people seriously when they start walking to work
10 or use a sail to go out and catch their fish. I uh...think our
11 nation needs oil to get rid of its dependency on a bunch of
12 second rate, third world nations, and I think Kodiak needs the
13 shot in the arm that oil development represents as far as the
14 economic structure is concerned. I feel that if we can pick a
15 spot on the moon, and send a man in a rocket ship and land him
16 within a few inches of that spot, then I think we have the uh...
17 capabilities of drilling for oil and also fishing at the same
18 time. That's all, thank you.

19 CHAIRPERSON: Thank you, any comments to Mr. Eufemio?
20 Thank you very much.

21 MR. EUFEMIO: Thank you.

22 CHAIRPERSON: Um...Miss Terresa Sluman.

23 MISS SLUMAN: Distinguished Panel, Ladies and Gentlemen,
24 thank you for giving me this opportunity to speak with you. On
25 uh...the D.E.I.S. for lease 46. Um... Doc Eufemio's a hard act

1 to follow, but I'll try. Um...I'm Terresa Sluman, a two year
2 member of the Kodiak Overall Economic Development Committee, a
3 small businesswoman and an eleven year Alaskan. I am speaking
4 as a concerned citizen, and I have read your entire document.
5 I'd like to start my comments on Page 1 of the document as it
6 states, " To help the need, to help meet the energy needs of the
7 nation in an environmentally safe manner, these resources must be
8 developed as rapidly and yet as carefully as possible." It goes
9 on to state, "The United State's dependence on oil import exposes
10 the country to both threats and actual interruption of oil
11 supplies. Such a vulnerability creates economic, military and
12 political implications. Development of oil and gas results in
13 a joint product. Oil and gas and economic security." I feel it
14 is extremely misleading to infer that the nation's economic
15 security hinges on the proposed Gulf of Alaska. I have learned
16 from B.L.M.'s own data that this sale represents only about one
17 percent of the gas resources anticipated from the entire 1981
18 through '85 sale schedule. Alaskan oil supplies will do little
19 more than offset the declining curde oil production from the
20 fields in the lower '48. If, in reality the United States was
21 concerned about rapid development of resources, why are we not
22 offered alternatives to this sale, such as, energy conservation,
23 rstioning, decontrol of oil and gas prices, alternative lease
24 areas in the Continental United States, and most important,
25 alternative energy resources, such as wind, solar, and tide

1 turbines. As we all know, the tides change twice a day and could
2 be channeled into energy. The wind mean here in Kodiak is
3 fourteen knots. Um...I have...also know off the top of my head
4 that in order to run a windmill, you only need a seven knot
5 mean to successfully harness energy. It seems to me that the
6 B.L.M. is putting all their eggs in one basket by pushing Alaska
7 to develop our resources now. Are we to assume that the governing
8 bodies want to consume our total Alaskan reserve supply? Before
9 new resource alternatives have even been developed? If the
10 attitude is to get while the getting is good, what kind of reserves
11 do our children have to look forward to? The D.E.I.S. does not
12 address plans of any sort for marketing our product. For years
13 I have watched Alaska's precious resources being shipped away,
14 mainly to Japan, and also to the Orient, in the namesake of
15 international trade relations and easier transportation costs.
16 It is only too clear to me that these relations are ranking a
17 higher priority than our own people's needs. If this country is
18 true in it's intent to become a self-sustaining nation, then I
19 can only again state my beliefs that now is the time to explore
20 alternative energy resources. The state of Washington has made
21 it extremely clear that they do not support a refinery on their
22 coast. Oregon made no bid for it, and California's very busy
23 refining other country's oil. I can only ask, where is our
24 Alaskan oil going? The D.E.I.S. made no direct comment. The
25 decision making people in Washington D.C. and the states have

1 no true concept of our way of life-style. They probably think
2 there are too few of us here to matter. Subsistence is, and
3 always has been, our way of life. Not because of the extremely
4 high costs of food here, but because of the main...the many
5 varieties of local available. I do not feel on Pages 55 through
6 59, they address the serious affect the oil will have on many of
7 us who use the beaches for a mainstay of our diet. Goose tongue,
8 beach cress, these are delicacies, you know, and we really do
9 eat them. Upon my last trip outside, I was appalled at the
10 people's attitude of no serious energy shortage. They seem to
11 think that the government had cooked up a big scare. They thought
12 it was a tactic. My friends alone, drove me twenty-five miles
13 out of their way to take me to the best ice cream parlor in town.
14 Alaskans have always been true conservationist, in my mind. I
15 cannot support the draft as it is, and I do not support draining
16 the last few drops of oil from the face of the earth. Thank you
17 very much.

18 CHAIRPERSON: Thank you Miss Sluman, any comments or questions?

19 MR. REID: I'd like to make a comment.

20 CHAIRPERSON: Jerry Reid.

21 MR. REID: Um... pursuant to uh...I think it was Jim was
22 mentioning awhile ago, on the alternate energy sources, Fish
23 and Wildlife Service wouldn't get involved in the number of
24 projects, other types of energy projects, hydroelectric, um...
25 largely. And uh...we have to examine the impacts of those, the

1 biological uh...repercussions, but these kinds of projects may
2 create, and I'm not going to....the only thing I wanted to comment,
3 I think some time ago there was a...there was at least a thought
4 of attempting to put a tidal power uh...operation in Olga Bay.
5 Which has a very narrow opening and a large body of water, not
6 a very large tide, but it does move a lot of water. And I think
7 that in thinking in terms of alternate energy sources that you
8 begin to think in terms of some sort of a blockage of Olga Bay,
9 and the...and the potential impacts of the resources that we've
10 all been talking about here today, it doesn't look quite as
11 attractive. And just...that's just a thought.

12 MISS SLUMAN: Uh huh. I do have one more little comment to
13 make, I don't know if you're aware that um...most of tanner season
14 is shut down, but there is one area that will be open until
15 tomorrow and many of our fishermen are still out gathering gear
16 and ...and I feel that there is somewhat of a void in their
17 vocal participation tonight.

18 CHAIRPERSON: Thank you. Mr. John Atteway. Good evening.

19 MR. ATTEWAY: Hi. Well, due to an engine valve function,
20 I do fish locally and I'm able to make the meeting, and come in
21 a little early. Uh...my name is John Atteway, uh...I'd like to
22 bring out a couple of points that might not have been brought out
23 today, I was on...I talked to somebody on the radio the other
24 night and we got cut off, but I mentioned the study that was done,
25 I thought by the University of Washington, but it was Seattle

1 University. I got it out of National Fisherman, the February
2 1980 issue. Some of this is quoting from that issue. It
3 covered a U.S. Senate hearing called to relate the Campeche
4 Bay oil spill to proposed drilling operations on the U.S.
5 Continental Shelf. What developed during the hearing was
6 an almost systematic debunking that many of the oil industries
7 off repeated claims about the compatibility of petroleum and
8 the marine life. Donald Mailens (sic) from the Seattle University
9 said both laboratory tests and field observations had shown
10 several species to be adversely affected by the presence of oil
11 in their habitats. The flat fish were the most susceptible.
12 Flat fish living in env...in an environment heavy in petroleum
13 residues had liver tumors, other liver abnormalities and fin
14 erosion. And also, I'm not...I don't know what all has been said,
15 but they said in spite of oil interests, statements that fin fish
16 will swim away from oil contaminated areas, it was found that
17 flat fish didn't show any noticeable tendency to leave areas
18 that had oil contaminated sediments. He also said that the
19 feeding habits of shrimp were altered upon exposure to oil and
20 water as low as ten parts per billion, and that's three thousand
21 times lower than the allowable routine discharge of oil as part
22 of the formation waters released during drilling operations.
23 Now, I'm not familiar with all those practices, but it sounds
24 like quite a bit of difference. That's thirty parts per million.
25 That's allowed during those drilling operations. Mailens also

1 said that oil in concentrations of seven hundred parts per
2 billion disrupted salmon in making their upstream migrations
3 in the Puget Sound area. Also, in the article, it mentioned
4 that the Gulf of Mexico has often been referred to as positive
5 proof that oil and fishing can mix. But the differences that
6 they brought out were the three major uh... species of fish
7 that are caught there, or uh...sea products are menhaden, oysters
8 and shrimp, and they all develop in the wetlands, and estuaries
9 or in fresh water, not offshore where drilling occurs. And in
10 this area there are several species that are commercially
11 harvested that don't develop in fresh water or estuaries, and they
12 would be affected. Finally, to try this into the Draft
13 Environmental Impact Statement, in the first page of the summary,
14 the summary sheet, there's uh...alternatives, to what could
15 happen. And I'd like to add that this is ... somewhat of an
16 alternative. I got this from National Magazine. When two
17 Vermont power companies proposed to buy one percent each of
18 Seabrook Nuclear Power Plant's stock, which would...which would've
19 cost ninety-eight million dollars, environmentalists calculated
20 that for about the same price, forty thousand water heaters would
21 involve no fuel costs, could be professionally constructed and
22 installed. That costed twenty-five hundred dollars each. The
23 sun-powered heaters would produce just slightly less slightly
24 less power than the Seabrook purchase, and, they would provide
25 three thousand to four thousand installation jobs at plumber's

1 wages. I've provided the suggestion as a further alternative
2 to those on the summary sheet, draft E.I.S. I'm opposed to this
3 lease sale and I hope the energy policies of this country can
4 be more rationally managed. In the present situation where we
5 are having to go to Shelikof Strait and the Gulf of Alaska in
6 search of our oil. Thank you.

7 CHAIRPERSON: Thank you, Mr. Atteway, any comments --Ray
8 Karam.

9 MR. KARAM: Just one question, if I may. Would you give me
10 the citation of that article by Mailen again?

11 MR. ATTEWAY: Uh, where was it?

12 MR. KARAM: Yeah.

13 MR. ATTEWAY: It was in National Fisherman, February 1980.

14 MR. KARAM: Thank you.

15 MR. ATTEWAY: And it was covering a meeting in December.

16 CHAIRPERSON: Any other questions of Mr. Atteway? O.K.
17 Have Mr. Dave Ricard, Mr. Guy Powell, or Mr. Dave Woodruff, uh...
18 come in? Are there other persons present who have not signed up
19 to be heard who would like to testify at this time? If not,
20 that concludes the testimony on the Draft Environmental Impact
21 Statement for the proposed sale number 46. I want to thank all
22 the participants of both in Anchorage and Kodiak for very
23 studied and thoughtful and constructive testimony. Thank you all
24 very much, uh...this hearing is adjourned.

25 (HEARING ADJOURNED AT APPROXIMATELY 9:30 P.M.)

* * *

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